

**A SURVEY
OF
THE CONTEMPORARY INDIANS
OF CANADA**

Economic, Political, Educational Needs
and Policies

PART 1

A SURVEY OF THE CONTEMPORARY

INDIANS OF CANADA

A Report on Economic, Political, Educational Needs and Policies

In Two Volumes

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To The Honourable Arthur Laing, P.C., M.P.
Minister of Indian Affairs and Northern Development
400 Laurier Avenue West
Ottawa 4, Ontario

In 1964 the Minister of Citizenship and Immigration asked The University of British Columbia to undertake, in conjunction with scholars in other universities, a study of the social, educational and economic situation of the Indians of Canada and to offer recommendations where it appeared that benefits could be gained.

We have the honour to submit Part 1 of the findings, concerned primarily with economic, political and administrative matters.

M. A. Tremblay
Associate Director

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Director

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Name	Main Topic and Region	Period
Dr. M.A. Tremblay	Education	Data collection and interviews in Ottawa and in various centres. <u>Reserves:</u> Maria, Restigouche, La Romaine, Mingan, Natashquan, Seven Is. (old reserve), Maliotenam, Bersimis, Pointe Bleue, Mistassini, Weytonmachie (Sanmaur), Rupert House, Six Nations, Fort Alexander, Beardy's. <u>Agencies:</u> Quebec, Ottawa, Toronto, Winnipeg, Saskatoon, Edmonton
<u>Assistants:</u>		
Mr. B. Bernier	Statistics	
Mr. L. Laforest	Statistics	
Mr. P. Charest	Ideology	
Miss J. Ryan	Education	<u>Reserves:</u> Cowichan #1 and #2, Comox, Inkameep, West Saanich, Sooke, Six Nations, Caradoc (Oneida, Muncey, Chipeweyan), Oak River, The Pas, Roseau River, Duck Lake, James Smith, Sweetgrass, Red Pheasant, Mosquito Stoney, Poundmaker, Little Pine. <u>Agencies:</u> Ottawa, Toronto, London, Winnipeg, Portage La Prairie, The Pas, Saskatoon, Duck Lake, N. Battleford, Edmonton, Vancouver, Nanaimo, Duncan, Vernon.
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Dr. H.A.C. Cairns Adminis-	Political various centres. trative Issues	Data collection and interviews in Ottawa and in &
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Mr. R.H. Jackson	Administration	8-1/2 months
Mr. J.E. Nicholls	Administration	4 months
Professor K. Lysyk	Constitutional & Legal Issues	Data collection and interviews in Ottawa and in various centres.
Dr. S.M. Jamieson	Economic Survey	Data collection and interviews in Ottawa and provincial capitals.
<u>Assistant:</u>		
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Dr. F.G. Vallée	Band organization	

Name	Main Topic and Region	Period
Mr. G.B. Inglis	Social Organization Reserves: Chilliwack, Port Simpson, Saddle Lake, Nipissing	2-10 weeks in each
Mr. D. Luth	Social Organization Reserve: Walpole Is.	9 weeks
Mr. R.F. McDonnell	Social Organization Reserves: Kamloops, Masset, Goodfish Lake, Dokis	2-3 weeks
Mr. G. Parsons	Social Organization Reserves: Manitoulin, Fort Alexander	12 weeks
Mr. E. Schwimmer	Social Organization Reserves: Mount Currie, Blood, The Pas	2-3 weeks at each
Dr. T.F.S. McFeat	Band Organization Reserves: Christian Is., Parry Is. Work mainly with Tobique Malecites in New Brunswick.	2 summers
Mr. J.E.M. Kew	Social Organization Reserves: Christian Is., Walpole Is., Georgia Is., Scugog, Rama, Curve Lake, Hiawatha (Rice Lake), Alderville, Saugeen	1 day to 1 week in each
Mr. B. Bernier	Social Organization Reserves: Comox, Cowichan	2 months each
Mr. S.W. Corrigan	Social Organization Reserve: Oak River	5 months

INDEPENDENT RESEARCH SUPPORTED IN FULL OR IN PART BY THE PROJECT

Name	Main Topic and Region	Period
Mrs. P. Koezur	Education Bands: Mattagami, Michipicoten, Amalgamated Rainy River, Couchiching, Lac La Croix, Seine River Stangecoming, Golden Lake, Albany, Attawapiskat, Moose Factory, Moosonee, Winisk. Rat Portage, Shoal Lake #93 and #40, Wabigoon, Whitefish Bay, Manitoulin Is., Sheguiandah, Sucker Creek, West Bay, Whitefish River. Fort Hope, Long Lac #58 and #77, Nipigon, Dokis, Matachewan, Nipissing, Temagami, Whitefish Lake, Parry Sound. Fort William, Gull Bay, Red Rock, Mississaugas of Curve Lake, Batchewana (Rankin), Garden River, Serpent River, Spanish River #1 and #2. Caribou Lake (Round Lake), Lac Seul, Osnaburg (New Osnaburg, Cat Lake), Trout Lake, Six Nations, St. Regis, Mohawks of the Bay of Quinte, Walpole Is. Amalgamated.	1-28 days in each
Dr. B.S. Lane	Education Saanich	45 days
Mr. S.W. Munroe	Social Organization Stoney Band at Morley	continuing
Drs. LW. & M. McL. Ames	Socialization Iroquois school children	
Miss P. Atwell	Off-reserve Migration Indians residing in Calgary	continuing
Miss M. Bossen	Economic Development Ontario	3 months
Dr. H. Dimock	Economic Development Chibougamau-Mistassini	
Prof. K. Duncan with D. Korn and P. McIntyre	Vocational Training Oneida, Chippewa, Delaware	
Mr. L.R. Gue	Education Northern Alberta	continuing
Mr. & Mrs. W.R. Ridington	Social Organization Prophet River	1 year

Name	Main Topic and Region		Period
Mrs. R.L.B. Robinson	Socialization & Child Care	The Pas	2 months
Miss J. Smith with Mr. R. Malpass	Socio-economic Factors	Micmac	continuing
Dr. T.F. Storm and assistants	Motivation Research	British Columbia	continuing

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CHAPTER I

INTRODUCTION AND RECOMMENDATIONS

1. The Purposes and Goals of the Report

In 1964 the Minister of the Department of Citizenship and Immigration asked that a study be undertaken of the contemporary situation of the Indians of Canada with a view to understanding the difficulties they faced in overcoming some pressing problems and their many ramifications. The Director and Associate Director, Dr. Harry Hawthorn and Dr. Marc-Adélaré Tremblay, accepted the charge, and were joined by Dr. Alan Cairns, Dr. Stuart Jamieson and Dr. Frank Vallée as senior members of the research group, and by a number of other scholars who have acted as consultants and field research staff, and by specialized assistants who deployed their various skills.

The problems that called for detailed and objective study were concerned with the inadequate fulfilment of the proper and just aspirations of the Indians of Canada to material well-being, to health, and to the knowledge that they live in equality and in dignity within the greater Canadian society. The Indians do not now have what they need in some of these matters and they cannot at present get what they want in others.

In general, they want the material blessings other Canadians have in the way of incomes, houses, cars, furnishings, clothes, foods and so on, perhaps partly because they are advertised at and exhorted to want them equally with the rest of us. Their income levels and their average expenditures are rising but on the average are now far less than equal to national or regional averages and the gap is ever widening. They want and need good health but their possession of it, manifested by mortality tables and by the observation of every teacher and country doctor, is less than others possess although most Indians are more active and do more hard physical work than most Whites.

Their children are required to enter school and urged by parents and teachers to do well, but their stay there is often marked by retardation and terminated by dropping out; although ever more Indian children attend school and stay longer, the increasing national educational levels provide another receding horizon.

They call for independence from the special controls of the federal government but the management skills required to replace the sponsorship and support of the Indian Affairs Branch are at this time not often enough in evidence. More and more Indian enterprises exist but the need for specialized assistance with the management of their resources is always growing and is now greater than ever.

What support they receive from agencies and persons other than the Indian Affairs Branch and its staff has not offered much more than local

amelioration of their condition and in many regions is not immediately equipped to do much more. The public concern about the Indians and the public knowledge of their problems that would demand a change are scanty and uneven. Public knowledge does not even match public misconception. Not enough is known of the problems to create a call for their solution. In two or three cities the newspapers from time to time print a special story, of disease, neglect and poverty, of isolation or of Skid Road, and then leave the topic for months or years. A few good documentary films have not been enough to enlighten the public sufficiently so that it will clamour for the massive support that is needed.

Furthermore the knowledge of the progress that has actually been made is neither enough to encourage the Indians nor enough to develop pride of achievement in those who work with them. The public knows little of the extent of the services now given by the federal and provincial governments to Indians, and many newspapers share a general misconception that Indians are less than full citizens, and wholly and solely a federal responsibility.

The trend of the analysis offered in this Report and a basic and general goal of its recommendations is to find courses of action which will be profitable for the Indian end to improve his position to choose and decide among them.

This is not advocacy that he acquire those values of the major society he does not hold or wish to acquire. Because the issue is a burning one, and at certain junctures in the analysis it is a complex one, it is worth reiterating clearly and simply that the research group do not think that the Indian should be required to assimilate, neither in order to receive what he now needs nor at any future time. The possibility that many Indians should reject some values or institutions held dear by the Canadian majority is comprehended in the goal of the economic and political recommendations made in this Report. Ordinary respect for what values and institutions, languages, religions and modes of thought persist in their own small societies, which were once fully viable and to varying extents are so today, calls for maintenance of this principle. Almost certainly some Indians will choose not to accept what we regard as the benefits of our society and will choose instead what they regard as the benefits of theirs.

But no choice by Indians, neither to accept nor to reject Canadian values and opportunities, can have a sequel of purposeful action and successful result unless they have certain capacities to sustain it. The attractions and pressures of the major society, the changes in natural resources and the whole new social ambience now render completely helpless the person who lacks the shields and weapons of adequate schooling, rewarding employment, good health and fit housing; and the capital equipment, training and knowledge adequate for the enterprises he undertakes.

These prerequisites for proper choice and decision must be supplied in sufficient amount for them to be at all effective. Indeed inadequate aid may be worse than none at all because it will almost certainly drain off hope and courage. We may cite Chesterton: "If you think everyone should have a cow, and you only give him the first half to start with, he will only leave the first half lying around."

A further part of the basic and general goal of the Report is to review the arguments establishing the right of Indians to be citizens plus, and to spell out some of the ways in which this status can be given practical meaning. 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 possible conflict between the status of citizens 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.

2. The Content of Part I of the Report

This is the first of two parts of the Report of the research group. The second part dealing with issues in education and with the internal organization of the reserves will be presented within a few months.

The starting point of the study was to enquire into some of the many facets of Indian well-being, to try to ascertain the reasons for its lack where that was the case, and to uncover the modes whereby well-being could be enhanced. We assumed that the justification for any continuing differential in the services provided for the Indian must be that they are better, not worse, and that they make greater contributions to his well-being than could be made by the services available to other citizens.

In this part of the Report we present our analysis and findings concerning those conditions and programs that are primarily economic, political and administrative. Some of the same concerns will be taken up again in Part II of the Report, because the educational approaches to some issues, for example, employment and economic development in general, complement the purely economic ones; while the abilities and willingness of people to take part in band council and other organizations within the reserves, also considered in Part II, are vital to the future of the governmental programs for the reserves considered here.

The topics of prosperity, poverty and welfare are examined, as is the Indian degree of participation as provincial and federal citizens, the provision of services for them, and the legal and constitutional position of their administration. Understandably, economic development and the responsibility for it receive major stress in the Report, as material well-being is inseparable in his own mind and in ours from all the issues now confronting the Indian. To arrive at the conditions for successful economic growth we have tried to understand the causes of reserve prosperity and poverty, and the reasons why the Indians on the average are falling farther and farther behind the advancing national averages in incomes and spending. To these ends we have scrutinized a number of the factors that economic theorists commonly associate with economic development and endeavoured to find out how they operate in the economic situations of the reserves. Included in our survey are a score or more of these factors on which figures were furnished by a Resources Questionnaire sent to Indian Agencies by the Branch. Some of the results have been surprising and others, though less surprising, are basic to planning. Thus we have found that such primary resource-based modes of livelihood as trapping, fishing and farming exert a negative influence on Indian prosperity. This influence is contrasted to the great contribution to prosperity made by steady wage and salaried employment off the reserve. We consider the support offered by such findings for vocational training and job placement services on a massive scale, for special assistance to those who choose to seek work off the reserve, and for creation of opportunities for industrial and other urban employment.

While an increasing number of people already work and live away from the reserves, the reserves are not vanishing. Indeed the actual number who live in them is also increasing. Bands are not seeking enfranchisement and comparatively few individuals sever connection with the reserves by enfranchisement. Because many of our findings stress the connection between economic well-being and ability to get employment off the reserves, it has been necessary to give some consideration to the status and special needs of off-reserve Indians. While we have done this relatively briefly we adduce support for the principle that Indians can and should retain the special privileges of their status while enjoying full participation as provincial and federal citizens. By every calculation they have been disadvantaged and low-cost citizens up to the present time and many services will need to be increased for them before they catch up.

Consequently it has been necessary to examine at some length the responsibility for provision of future services and to appraise the implications of the assumption that has grown over the past decade that more and more of these services will be provided by agencies of the provinces. We pay some attention to three main issues in respect to services: the relative capacities of provincial agencies and of the Branch to supply them; payment

for them; and Indian willingness to claim and receive, and provincial willingness to extend the services that are now required by all other citizens.

The status of reserves as they advance in management of their own affairs is discussed in relation to these issues. We have given thought to the advantages of attaining municipal status and have presented a case for the development of a unique position for Indian reserves. There is support for the view that reserves can remain viable and distinct Indian social entities, which many Indians want them to be, while gaining the full benefits of provincial as well as federal services.

Some examination is given to the future of the Branch. We cannot share the point of view that it should or can dissolve at any near point in time or in program. The responsibility for aiding in the management of trust monies and lands has been firmly laid on it and the responsibility for sponsoring the development of band government is seen as unlikely to devolve successfully on any other agencies. In addition we offer a brief comment on the likelihood we foresee that crises will arise in Indian life in the near future, and that no organization other than Indian Affairs or perhaps the Citizenship Branch, appears to have the knowledge or readiness to assist.

A final case is made for an Indian Progress Agency, an organization whose function would be to substitute for occasional reviews of policy a regular flow of information and the application of continuous measures of advancement to the situation of the Indian.

We have undertaken in this Report to present the results of our study of what we considered the major economic, educational and political issues. The task has not been a small one, but it is only a part of what should be done. No fault attaches to the Indian Affairs Branch for any limitation of the study; the scope of this enterprise has been so wide as to be barely manageable, and others must undertake what other work must still be done. Indeed, some others are already engaged in some continuing and related research.

Some of the topics listed in the first proposals for this project have not been touched upon by us and are not at present being studied by anyone known to the authors. (Exceptions to this statement include several graduate students., whose research is likely to be of high quality but to be confined to limited topics and regions.) The neglected topics include linguistic change, and its relations to socialization and education; the operation and results of Indian friendship centres; the function and potential of organizations of local and wider scale; and Indian voting patterns and potential political influence. There are many others, some of them mentioned in the text of the Report.

There are some other topics on which work has been started without yet yielding enough to report. These include systematic studies of the psychological characteristics of the Indian child, and the possible influences of the "culture of poverty" or of "reserve culture" on the child. Partial results have been incorporated in our reporting on the schooling of the child, but work will continue, under auspices other than the Indian Research Project, for some time yet, before definite and general conclusions can be reached.

A few studies have been commenced within the past year, when it became clear what could not be incorporated in this Project. They include a study of Indians and taxation, and a preliminary or feasibility study of Indians and the law.

There are other broad research areas where as far as we know there is little present initiative and where we have made no recommendations, such as health needs and services. We know of some work that is now underway, but we are not competent to even estimate the value of a major and comprehensive study there.

Finally we have outlined in this Report some needed studies, as in the chapters on economic matters and on welfare. This may seem to be a superabundance, but contemporary administration cannot operate without up-to-date information, and the appraisals of complex situations must be continuous.

3. Contributors, Sources and Methods

A survey of the contemporary life of the Indians of Canada is a large task, and the work of a large number of people has been required for its completion. In all, more than forty scholars have been engaged in the collection of data and their analyses at some point or other in its two-and-a-half years of operation. This includes some twenty who had already planned or had begun to work independently on topics of value to the Project. Where it was needed we offered support and obtained the benefit of their findings. In addition, we obtained the judgment and knowledge which others made available as consultants, and the skills of several assistants who helped with statistical and tabulating tasks.

We wanted to base our conclusions on the fullest knowledge that could be obtained in the time at our disposal. To this end the Branch in Ottawa placed their files at our disposal and provided all the summarized data in their possession that we asked for, including the results of the comprehensive Resources Questionnaire sent out to all agencies in 1964. It is unlikely that any study has been more fortunate in the support given to it by the senior officials of an agency whose operations formed a major part of the survey.

It was necessary in addition to pursue information on a number of issues and obtain answers to a number of queries by firsthand observation and interview. While the purpose of the survey did not call for the kind of knowledge that only very lengthy and detailed observation could reveal, there were some elements of present-day Indian life that we wanted to understand more fully than could be achieved from any materials so far gathered and published. For example, we needed to know more of what accounted for the performance of Indian children in school, how effectively people in reserves played their parts in organizations like band councils and in voluntary associations, what economic goals they held, and what were the values most relevant for their political futures. Some of the desired knowledge updated and extended the findings of the study made of the Indians of British Columbia ten years earlier, and some dealt with new situations and issues that had arisen since then. To these ends we visited a large number of reserves for brief periods and also undertook studies of longer duration in a few reserves. The reserves were chosen to illuminate the issues we had in mind, as an ordinary sampling procedure would not have been suitable for the task.

The five senior members of the research staff, the Director, the Associate Director, Dr. Jamieson, Dr. Cairns and Dr. Vallée, worked part-time for two-and-a-half years, including the major parts of three summers. Miss Joan Ryan worked for three summers and most of the others for one or more. Mrs. Alice Bownick was the secretary and administrative assistant of the Project throughout, responsible for the organization of material support for the staff, organization of the office and its operations, and for the preparation of working papers and drafts and the final Report.

The writing of Part I of the Report has been undertaken mainly by Dr. Jamieson who took major responsibility for Chapters II to X and by Dr. Cairns who took major responsibility for Chapters XI to XVIII. The recommendations that emerge were discussed by all senior members and represent the majority or usually unanimous opinion.

In addition many and lengthy special and field reports have been written. Among them is one by Professor Lysyk on constitutional and legal issues, which is now the first section of Chapter XII; ones by Mr. Audain and Mr. Nicholls on welfare and administrative considerations, also used by Dr. Cairns in Chapters XV and XIV; others by Mr. Kew, Mr. Inglis, Mr. Schwimmer, Mr. McDonnell, Mr. Bernier, Mr. Luth, Mr. Corrigan; these field reports and special analyses have been extensively used and are again being employed in Part II of the Report. Others which have a bearing exclusively on the educational and organizational issues in Part II are not mentioned at this time. Most of these special and field reports contain a great deal more than has been directly used in the Report. By agreement at the beginning of the Project, these Individual studies may later be used in scholarly publications, omitting personal or privileged facts, by their authors.

4. Indian Autonomy and Integration

To many Indians the maintenance of a separate culture is important; to others it does not matter, and many of the young in particular would prefer to see the past transferred to the pages of histories and ethnographies rather than have it continue into the present. But those who cherish the language, the religion, the special relationships of kin and association, the exchanges of goods, support and obligation, that mark some Indian communities today should have their right to these affirmed by any program of government rather than diminished.

The research group consider it is important that cultural autonomy not be directly lessened by any proffered political, educational or economic changes. It is equally important that individuals be given the capacity to make choices which include the decision to take jobs away from reserves, play a part in politics, and move and reside where they wish. The whole direction of the Report argues towards increasing the scope for decision by Indians and this includes a decision either to reside in separate cultural communities or to leave them temporarily or permanently.

Consequently the research on which the Report is based was not directed towards finding ways in which Indians might be assimilated, or integrated into the Canadian society without their wish to do so, and without leaving traces of their particular and special cultural identities. Nevertheless, it is our opinion that the retention of these identities is up to the Indians. No official and perhaps no outside agency at all can do that task for them. Whether or not, and to what extent, Indians remain culturally separate depends on what it is worth to them. And it is obvious that equal services of all kinds should be offered and as high a standard of schooling as for other children be given to every Indian child unless he is to be deprived of a choice.

Nevertheless, quite apart from their intention, the effect of implementing the recommendations in the Report, like the effect of the governmental programs now in question, is not neutral towards the maintenance of autonomous Indian societies within the Canadian nation. This would be taken as obvious were it not apparent that there are those who cannot see it. The protections and controls of law, police and courts have displaced or affected in some ways the former institutions of social control, and their linked institutions of kinship and rank; the benefits of welfare services have taken over, often where the former rules for mutual aid were no longer operative; schooling has at least supplemented parental responsibilities and plays its part in the whole socialization process; jobs with regular wages and hours throughout the year have affected hunting and other subsistence activities and provide a choice which an increasing number now want to make; the use of English or French in most homes and for most of the day has effects on the Indian languages, as does the need to add words for the new items that are constantly purchased; all these new ventures change the Indian's view of himself and of his world. Where separate Indian cultural forces continue to operate, they can only do so while accepting and adjusting to these influences.

5. Indian Resources and Responsibilities

The Indian in Canada does not come empty handed to the modern situation.

Each different question about wealth and capacities requires different calculations but it is perhaps correct to say that all the land and other material resources of the Indian, estimated according to their likely potential uses and values, are outweighed by the human ones. Indians comprise nearly a quarter of a million people, a high proportion of them young, their numbers growing faster than any sectional rate of increase in Canada, and many of them accustomed to living in regions and latitudes that are seeing vital new industrial developments.

Not enough is known about the present capacities of Indians for the jobs that are to be found in these developments and for the other wage and salaried employment that we have seen to be the most vital factor in economic development. We are of the opinion that a full inventory should be made of

the educational attainments, the work skills and experience, and the attitudes and motivations of people in each reserve, to show their potentialities for different kinds of work. Short of this being done, we know enough to conclude that there are many active and able people on reserves at the same time that positions are vacant elsewhere.

Other resources of the Indian are considerable but cannot be as easy to recognize, because we have heard everywhere opinions that there is a lack of Indian leadership. Actually, we see the small Indian community to be a training ground for some of the qualities of leadership and many of its members are well equipped with them. On many reserves people live close together, undertake many joint enterprises, have disputes, make some disposition of them, and afterwards go on living with the results. Goods and energy are always in short supply and differences in opinion about their allocation are therefore likely to be frequent. Those who are concerned must arrange these things and continue to see and work with one another afterwards, unprotected by the social distance that makes an impersonal decision, whether good or bad, an easy one to render in organizations within a large society. The gifts of personality, wisdom and skill needed for the continuous face-to-face management of often very complex joint affairs are significant ones and, although peace and equity do not reign continuously in Indian communities, many Indians possess and exercise these management skills in large measure. One proof is that so many communities have survived without the formal governmental institutions that are needed elsewhere to illuminate issues, arrive at decisions and compel adherence to them

It is true that the observer who looks for leadership qualities in the wrong situations on reserves will not find them. This is especially true if he expects to find Indian leadership in the specific tasks which are given to them in present-day communities. These tasks are likely to be out of tune with their techniques and values, and to be defined by outsiders. Sometimes the tasks are not actually worthwhile, or are in conflict with other necessities, or their performance requires some specialized competence, like estate management, that ordinary persons do not possess. It is usually this disharmony and the external nature of the situation where outsiders call for leadership, rather than a lack of general leadership competence, that often gives an appearance of disorganization and inertia to reserve life. In most bands, leadership is quickly forthcoming for particular tasks, defined by the Indians as within their own interest and competence. This is frequently in contrast with the operation of band councils. Commonly the band council and other official leaders are beset by all the dilemmas of indirect rule and additionally by the complicated set of requirements that band enterprises must fulfil to satisfy several government agencies at the same time.

We have considered the issue of how much responsibility and of what sort falls on Indians to employ these capacities to remove the disadvantages in their present situation. A component of many of their difficulties is a high degree of dependency, that goes well beyond the dependency of the average person in today's complex welfare state because the sources of partial independence, primarily ones linked to education and to income, are so much less for the Indians. In the last instance, successful moves to lessen dependency can be made only by them. But for the majority of Indians, their own actions cannot at this time meet all the needs an ordinary citizen must meet, and extra external aid is required as a supplement. The real question arises when we consider the sources of such aid. We present arguments that the Indian Affairs Branch should not withdraw services unless superior ones will be supplied by other agencies. Even where Indian Affairs Branch services can profitably be replaced by provincial ones it appears proper that Indians should first concur as is now required before Indian children transfer to provincial schools.

Some thought has been given as to whether Indian emergence into public debate and decision should come in other ways as well. The Indian Affairs Branch requests for money have been traditionally small or cut down. The Branch has never been enabled to operate with sufficient resources to do the tasks that are now seen to have been needed. In the absence of continued and widespread public pressure for expansion of the needed services, Indians themselves must supply some of the pressure. We have considered their potential to do so, through Indian organizations and by exerting their influence as voters. Up to the present they have hardly been in this position, and

the delegations they have sent in connection with disputes over land and Indian rights in the past have been received with courtesy but without trepidation. Today the changed climate of Canadian opinion on the rights of sectors of the plural society, along with the growing numbers of Indian voters, and the existence of special bodies like the Indian Eskimo Association, support their immediate emergence as a potent pressure group.

It is clear that whatever is done to assist it, this pressure will ultimately come from Indians. Results are needed now, however, and Indians should be aided so that they can produce them sooner rather than later. It is also clear that Indian political pressure will soon express a demand for something different from the wishes and requests of today's older Indians. The significance of the benefits conferred by the treaties and agreements seems negligible to many of the younger people today. But without requiring from Indians any more than from others that they make an unanimous decision on just what it is that they want, Indian organizations and voters should be heard and should be encouraged to press their case. In a plural society the alternative for a supine and silent segment is inevitably over-dependency and charity.

The certainty of growing and ultimately effective political pressure from Indians does not bypass the need for improvements to be made now in their situation whether or not they clamour for them. Indeed it underlines the need. The claims of a relatively well-off group can be discussed, adjusted if necessary, and granted if just. A really disprivileged group often cannot discuss its needs and when pressures finally burst out, discussion is too late.

6. Future Role of the Indian Affairs Branch

It is widely expected that the Indian Affairs Branch will wither away, its work done. Many members of the staff of the Branch share the feeling that it should wind up its business and cease to exist, that it is charged with a defined duty whose completion should see the termination of the Branch itself.

We made the study of the functions and operations of the Branch one of our central concerns, and the balance of our argument is that we cannot agree with this approach and this conclusion. The facts and their significance appear to us to lead to a very different result. For quite a long time the special needs of the Indians and the special status they should maintain will require the sponsorship and backing of the Indian Affairs Branch. It is true that other people with needs and claims that may be partly similar could benefit from the sort of sponsorship advocated for Indians but that is another issue and at first glance it would appear that no other group in Canada has the same entitlement to consideration. (This study did not include the Eskimo; however, in general their socio-economic situation is similar to that of many Indians, and it might not be far wrong to include them in the more general statements we make about the Indians.)

Our discussion of the continuing responsibilities of the Branch takes up the matter of assistance with the management of resources. This assistance may in the future be less often of a direct sort, for it is as impossible for the Indian Affairs Branch staff to control all the needed financial and other skills as it is for Indians to do so. More often effective assistance will consist of aiding the Indians to recognize when help is needed, and aiding them to seek it from the best quarters. Another responsibility may be assisting Indians to seek and obtain the benefits offered by the provinces to all provincial citizens.

Other new responsibilities are pointed out that are likely to call for assumption by the Branch. At least one of these new responsibilities can be foreseen. In the not so distant future some agency, the Indian Affairs Branch or perhaps the Citizenship Branch, will need to get set for a vast cityward movement of Indians that is now in its beginning phases. At the present rate of growth of Indian population, a critical phase of this movement could be reached in ten years' time even if the reserves continue to hold their present numbers. Problems of housing, placement, recreation and training will be intensified and in many ways will be special to Indians. The problem facing

the Branch will be to aid in filling the needs that cannot be met by existing municipal and provincial agencies. Present experience, in Canada and elsewhere, indicates that no other government agency is likely to be ready for a large movement of this nature. Perhaps the role of the Branch will be to be prepared with blueprints drawn from its own special knowledge and from experience elsewhere, in the United States for example; to keep close watch on the situation and initiate action in time; to point out at once the growing needs of these new people in the city, needs that existing agencies are likely to be slower to recognize and respond to.

7. Recommendations

The following recommendations are summarized from the text of Part I of the Report. It should be emphasized that the full sense of the recommendation does not reside in this brief and abstracted form; the facts, analysis and argument in the text often modify the recommendations in significant ways.

General

- (1) Integration or assimilation are not objectives which anyone else can properly hold for the Indian. The effort of the Indian Affairs Branch should be concentrated on a series of specific middle range objectives, such as increasing the educational attainments of the Indian people, increasing their real income, and adding to their life expectancy.
- (2) The economic development of Indians should be based on a comprehensive program on many fronts besides the purely economic.
- (3) The main emphasis on economic development should be on education, vocational training and techniques of mobility to enable Indians to take employment in wage and salaried jobs. Development of locally available resources should be viewed as playing a secondary role for those who do not choose to seek outside employment.
- (4) Special facilities will be needed to ease the process of social adjustment as the tempo of off-reserve movement increases. Where possible these should be provided by agencies other than the Indian Affairs Branch. However, if other agencies prove inadequate, either due to incapacity or unwillingness, the Indian Affairs Branch must step in itself regardless of whether the situations requiring special attention are on or off the reserve.
- (5) As long as Indians are deficient in the capacity for self-defence in a society of large and powerful private and public organizations they must be given supplemental consideration by government.
- (6) The Indian Affairs Branch should act as a national conscience to see that social and economic equality is achieved between Indians and Whites. This role includes the persistent advocacy of Indian needs, the persistent exposure of shortcomings in the governmental treatment that Indians receive, and persistent removal of ethnic tensions between Indians and Whites.
- (7) Indians should be regarded as 'citizens plus'; in addition to the normal rights and duties of citizenship, Indians possess certain additional rights as charter members of the Canadian community.
- (8) The Indian Affairs Branch has a special responsibility to see that the 'plus' aspects of Indian citizenship are respected, and that governments and the Canadian people are educated in the acceptance of their existence.
- (9) An autonomous public body, to be known as the Indian Progress Agency, should be established. Its main function would be the preparation of an objective annual progress report on the Indian people.
- (10) Attempts to deny Indian access to basic public programs at any level of government on the grounds of an alleged incompatibility between

Indian status and the program in question should be critically investigated to ensure that the incompatibility is real and not merely imagined.

Economic Development

- (11) Larger expenditures than hitherto will have to be made on reserves in order to bring their standards of housing and other facilities and services closer to White norms.
- (12) A working blueprint for a viable economic development program for Indians will require a more detailed cross-country survey to provide an inventory in terms of job aptitudes and capabilities, potential income-yielding resources, job opportunities locally available, and numbers in each community requiring special training and migration to other areas. Such a survey should be carried out jointly by the Indian Affairs Branch and the new Department of Manpower, with the aid of various experts in industry and resources.
- (13) An adequate program for economic development of Indians will require public expenditures on their behalf in the hundreds of millions of dollars per annum over the foreseeable future. This will entail a much larger budget and staff for the Indian Affairs Branch, as well as more assistance from other government agencies at all levels.
- (14) The Indian Affairs Branch should be given every support in its announced objective of providing Indians with maximum educational and training opportunities and services. Inseparable from education and training, job placement should play a major role in a viable economic development program for Indians.
- (15) Because of problems facing Indians in urban life and industrial or business employment, the Indian Affairs Branch should possess a staff of specially trained placement officers with supporting facilities, services, and personnel to fit in with the larger labour market, training and placement program developed by the Department of Manpower.
- (16) Wide differences in degree of economic development among Indian bands and in the types of problems they face in different regions and localities, should be reflected in a highly flexible and variegated overall program with different priorities for different cases.
- (17) People in semi-isolated bands across the Northern wooded belt face special problems of development that require special types of programs, and should receive maximum support in moving away to obtain employment in areas or urban centres offering adequate job opportunities.
- (18) For those who do not choose to leave their reserves, training programs should be devised with travelling teams of instructors to train reserve residents in skills and functions that would enable them to cope better with their actual environment.
- (19) Inseparable from such training, adequate provision of efficient up-to-date equipment on a liberal rental or purchase basis will be needed to enable Indians in isolated areas to exploit more effectively the resources and job opportunities available to them.
- (20) More efficient and economical storage, processing, transport and marketing facilities should likewise be provided for them, either by government agencies or by private enterprises under strict governmental control on a public utility basis.
- (21) Special studies should be made of various communities to explore the possibility that they could operate service or retail enterprises to provide for their own needs, rather than import such goods or services at excessive cost from far distant suppliers.

- (22) Community development should be viewed as playing a distinctly secondary role for most Northern and isolated, small communities, in relation to the more pressing needs for greater capital and technical aid and special training facilities.
- (23) A number of bands in farming regions are as depressed and underdeveloped as any. An economic development program on their behalf would require broadly similar measures, with the major emphasis on educating, training and placing those who wished to obtain employment off the reserve.
- (24) In all but a minority of cases, no attempt should be made to encourage train and finance any large number of Indians to engage in commercial farming, even in those reserves where relatively plentiful amounts of arable land are available.
- (25) Subsistence farming, where suitable land is available, should be encouraged for households who do not wish to migrate to other areas, and who have no alternative opportunities for remunerative employment.
- (26) Employment of Indians in low-paid farm labour with substandard working conditions should be discouraged.
- (27) The main emphasis for economic development of the more depressed and underdeveloped reserves located within, or close to, urban or industrial centres offering many potential job opportunities should focus on expanded social work programs for rehabilitation of disorganized households, intensive training programs for potential workers, and counselling work among women and mothers to assist them in the complexities of urban living.
- (28) Community development should be directed as much to Whites as to Indians, in view of the many barriers which the former put in the paths of the participation of the latter.
- (29) Among relatively high-income bands whose members specialize in high paid seasonal manual labour, younger workers or students should be encouraged to train for a wider diversity of jobs. The present pattern of specialization renders such communities vulnerable to serious economic reversals, in the form of unemployment arising from technological changes or cyclical downturns.
- (30) For bands occupying reserve land strategically situated for industrial or commercial development of various kinds, adequate capital and technical aid should be provided to band members deemed capable of developing and operating business establishments of their own.
- (31) Where Indian-owned and operated businesses are not feasible, and where it would be more economical to lease land to outside concerns, every effort should be exerted to assure that band members are given prior opportunity and training for new jobs that the tenant firms make available.

Federal Provincial Relations

- (32) The general policy of extending provincial services to Indians should be strongly encouraged, although due attention must be given to merits of the case in each functional area.
- (33) Where it is desirable to extend provincial services to Indians, this should be undertaken as expeditiously as possible. Otherwise, as a consequence of the growth in Indian population, the temptation to establish or maintain separate services will become more pronounced and, for technical reasons, will appear more defensible.
- (34) Both levels of government must pool their legislative and fiscal resources to overcome the isolation and poverty of most Indian communities.

- (35) Provincial governments should be encouraged to make the policy decision that Indians are, in reality, provincial citizens in the fullest sense compatible with those aspects of Indian status found in treaties, the special nature of Indian communities, the particular characteristics of Indian land holdings, and certain historic privileges they have long enjoyed under the Indian Act.
- (36) The Indian Affairs Branch should increase its awareness of existing provincial legislation, legislative and policy changes in each province, and the possible relevance of such legislation and such changes for Indians. Where necessary the Indian Affairs Branch should make representations to ensure that there is no discrimination against Indians, either deliberately or through inadvertence.
- (37) Changes in the relationships between governments and Indians in the federal system should always be sanctioned by Indian consent.
- (38) It is recommended that the federal position be clarified with respect to the constitutional appropriateness of informing Indians that they have the right to reject provincial services in such areas as child welfare where there is no federal legislation occupying the field. This clarification may require some qualification to the previous recommendation.
- (39) The discrepancy between the stability of the constitutional position of the federal government under "Indians and Lands Reserved for the Indians" and the marked changes possible in the significance to be attached to it must be clearly understood, especially by Indians, if the change in federal-provincial roles is not to be misperceived.
- (40) The increased funds the provinces will require as they assume growing responsibilities for providing services to Indians should be provided, as quickly as agreement can be reached, within general federal-provincial fiscal arrangements rather than by an infinity of specific agreements dealing with particular functions.
- (43) Federal-provincial coordinating committees should be viewed as only the formal expression of continuing contacts between the Indian Affairs Branch and provincial officials.
- (42) The question of publicity should be carefully considered in all programs to which both governments have contributed either in a financial or an administrative capacity. Deliberate efforts should always be taken to give favourable reference to the role of the other government.
- (43) In order to facilitate intergovernmental collaboration, restraint in the public expression of views critical of the other government should be employed.
- (44) There should be constant scrutiny of coordinating committees in order to ensure that they contribute to, rather than frustrate, their stated purpose.
- (45) The participants in intergovernmental groups must mute their natural desires to further the interests of their respective governments or departments, and should concentrate on the objectives which they cannot attain without each other's assistance.
- (46) Good relations between governments depend on assiduous cultivation. Where recognition of this does not exist it must be fostered.
- (47) In British Columbia, where the regional headquarters of the Indian Affairs Branch are located in Vancouver, steps should be taken to overcome the barriers to easy communication with provincial officials which result from distance from the provincial capital.

Political

- (48) Indians should be assisted in identifying and diligently seeking redress, by all the political weapons of a free society, from the disabilities under which they presently suffer. They should make their own vigorous requests to provincial governments for provincial services they are not now receiving.
- (49) The Indian Affairs Branch has, and should assert, a legitimate right to represent Indians and advocate their needs at policy-making levels of government. This is necessary to counterbalance the political underrepresentation of Indians in the overt political system.
- (50) The Indian Affairs Branch should take a positive, interested, and sympathetic approach to Indian organizations and to various mixed or White groups that have an interest in Indians.
- (51) Cooperative working relationships between the Indian Affairs Branch and Citizenship officials should be strengthened. Members of each branch should be continually aware of the possibilities of furthering the advancement of Indians by collaboration in public relations and in the stimulation of community concern.
- (52) For its efforts to succeed, the Branch needs the support, understanding, and cooperation of Indians, the general public, provincial governments, employers, and service organizations. An effective public relations program, therefore, constitutes a basic weapon in the successful pursuit of Branch objectives.

Welfare

- (53) Welfare services under provincial control should be extended to Indians as rapidly as possible.
- (54) It is incumbent on governments to make the necessary arrangements to overcome quickly the discriminatory treatment which Indians still encounter in the welfare field.
- (55) Emphasis should be placed on the rewards to the provinces of extending their welfare services to Indians.
- (56) All possible efforts should be made to induce Indians to demand and to accept provincial welfare services.
- (57) The Indian Affairs Branch, perhaps in conjunction with the Department of National Health and Welfare or the Canadian Welfare Council, should cooperate with the provinces in the employment of Indians in the welfare field. If necessary, special short training courses should be set up.
- (58) Increased recognition should be given to the role which invigorated welfare services can play in improving the conditions of Indian existence.
- (59) Stricter controls should be placed on relief administration by Indian Affairs Branch field officials.
- (60) The administration of social assistance by band officials should only take place where it is provincial practice for small non-Indian municipalities to administer their own assistance. Exceptions to this general rule should require specific justification.
- (61) Where band officials administer welfare under provincial legislation, their work should be effectively supervised and guided by provincial welfare officials.
- (62) In provinces which resist extension of welfare services, bands should be permitted to complete arrangements with local private agencies for interim services.
- (63) It is important to support and encourage local committees of interested citizens and

officials who address themselves to the needs of Indians in new urban settings.

- (64) Where training courses in welfare administration exist, the participation of Indian welfare administrators should be sought.
- (65) When Children's Aid Societies extend their services to Indian reserves, the appointment of Indians to the Boards of Directors should be sought, and consultation between the Societies and the band councils should be encouraged.
- (66) The separation of relief payments from public works projects which is mandatory under the Unemployment Assistance Act, and which reflects the virtually unanimous opinion of social workers, should be as applicable on Indian reserves as in the remainder of Canada.

Local Government

- (67) Continuing encouragement should be given to the development of Indian local government.
- (68) The problem of developing Indian local government should not be treated in the either/or terms of the Indian Act or the provincial framework of local government. A partial blending of the two frameworks within the context of an experimental approach which will provide an opportunity for knowledge to be gained by experience is desirable.
- (69) At the present time, the Indian Act, suitably modified where necessary, constitutes the most appropriate legislative vehicle for the development of Indian local government.
- (70) At the present time the Indian Affairs Branch has much more experience in the handling of the governmental matters of small communities than do provincial governments. As a consequence, and given its present orientation towards community development and self-government, it is a more appropriate agency for attempting to develop self-governing political systems for the communities over which it now has jurisdiction than the provinces would be.
- (71) It is not incumbent on Indians to give up their special community status for the sake of equal treatment in areas in which that status is irrelevant. On the contrary, it is the responsibility of Whites, acting through their governments, to see that the special position in which Indian communities find themselves as a result of history is made compatible with as much as possible of the provincially provided services and supports available to White communities.
- (72) The partial ad hoc integration of Indian communities into the provincial municipal framework should be deliberately and aggressively pursued while leaving the organizational, legal and political structure of Indian communities rooted in the Indian Act.
- (73) Indian communities, while retaining their distinct status and remaining anchored in the Indian Act, should be encouraged to develop the same kind of relationship with provincial departments and with developing forms of regional government as would exist if they were not Indian communities.
- (74) Reserves should be treated as municipalities for the purpose of all provincial and federal acts which provide grants, conditional and unconditional, to non-Indian municipalities, except where the application of a specific act conflicts with the provisions of Section 87 of the Indian Act or is unacceptable to the Indians concerned.
- (75) The Indian Affairs Branch should establish a Local Government Bureau to provide a focus for the important function of developing local government on reserves.
- (76) The Local Government Bureau should master the relevant provincial legislation which can be operated through reserve institutions, and

should act in a middleman capacity between Indian communities and provincial officials until sufficient mutual involvement has occurred to put the contacts on a self-sustaining basis.

- (77) The Local Government Bureau should provide Indian bands with information on the various grants, programs and advisory services for which they will be eligible if provincial governments prove responsive to the need for extending their services and programs to Indian communities.
- (78) A review should be undertaken of all provincial legislation which operates through local governments, with an evaluation of the extent to which the application of such legislation to Indian communities would be compatible with their special position as reserves, an evaluation of the seriousness of Indian exclusion, and the devising of formulae by which Indian communities could be brought into the same kind of relationships of a financial and advisory nature with provincial governments as are enjoyed by their White neighbours.
- (79) The Local Government Bureau should provide a roving inspection and advisory service for Indian local governments.
- (80) Indian representation should be aggressively pursued for various boards, commissions, and intermunicipal bodies which deal with matters on an area basis and often encompass several general purpose local governments within their jurisdiction.
- (81) Indian and Branch participation should be sought and obtained in the various local government associations which exist in every province and at the national level.
- (82) The creation of a band civil service should be fostered. Small bands should be encouraged to cooperate with nearby bands in the employment of one or more civil servants which they could not separately finance or employ.
- (83) A basic function of band civil servants should be the fostering, cultivation, and development of positive relationships with the external world of officials and political leaders who possess services and expertise which could be beneficially employed by Indian local governments.
- (84) As administrative competence improves at the local level, the role of the Superintendent must change accordingly. His role should become essentially advisory.
- (85) Indians must increase their understanding of the local government procedures of their White neighbours, and of the network of relationships which White communities have with a variety of provincial government departments. To this end, provincial governments should be approached to sponsor and encourage programs to increase Indian familiarity with the practices of White local governments and the relations they have with the provincial government. For example, Indian participation should be sought and welcomed in provincial training and refresher courses for local government officials. The provinces should actively support a program for the placement of Indian trainees in White local governments for varying periods of time. White municipalities contiguous to reserves should be actively encouraged to display an interest in the common and special needs of their Indian neighbours.
- (88) An invigorated educational program should be undertaken to ensure that band councils have a good understanding of the Indian Act, particularly those sections which refer to the functions and powers of band councils.
- (87) All administrative practices and procedures which inhibit quick responses to band requests for information) or for approval of a specific course of action, should be reviewed with the objective of minimizing delay.

- (88) Bands must be encouraged to develop their own independent sources of revenue, perhaps from the local citizens of the reserve, to avoid exclusive reliance on external sources of funds.
- (89) The British Columbia experiment of forming District Councils, organized on an agency basis, to which bands may choose to send delegates to discuss matters of common concern should be considered in terms of its suitability for extension to other regions.
- (90) Continuing attempts should be made to break down the isolating effects of the trespass provision of the Indian Act.
- (91) The local government functions and the function of managing Indian assets should be separated on an experimental basis in order to overcome the serious contradictions which the present blending of this duality of function entails. The Indian thus would have one status as a citizen of a local community and a separate status as a shareholder in the corporate assets of the band.

CHAPTER II

THE CONCEPT AND GOALS OF ECONOMIC DEVELOPMENT

It has become increasingly evident in recent years, as the subject has come into greater public attention, that the majority of the Indian population constitutes a group economically depressed in terms of the standards that have become widely accepted in Canada. They are not sharing equally with others in proportion to their numbers in the material and other gains, satisfactions and rewards that an affluent and rapidly growing national economy has to offer. True enough, their level of material welfare, as measured simply by average per capita real income from all sources, and their level of formal education, are probably higher than they have ever been, and a minority among them have had successful careers in various lines of work. Nonetheless, in comparison to the much larger gains in these and other respects that the majority of the non-Indian population has enjoyed in recent decades, there are indications that the gap between the two groups has been widening.

In the comparatively simple economy of a few generations ago, when the major part of the population depended on farming supplemented by unskilled wage labour, in many communities the levels of living and styles of life of Indians and Whites were not strikingly different. Today there is the growing danger that a majority of Indians together with a small minority of Whites may become a more-or-less permanently isolated, displaced, unemployed or under-employed and dependent group who can find no useful or meaningful role in an increasingly complex urban industrial economy.

The Indian Affairs Branch is now attempting to formulate a program that will encourage the more rapid development of Indians and it proposes to attack the problem on several fronts -- governmental and political, educational, social and cultural, as well as economic.

The goal of economic development seems crucial in any such program for two related reasons:

1. The receipt of income depends primarily on gainful employment, and income largely determines the degree to which people can enjoy the goods or facilities and participate in the various types of meaningful facilities and activities that Canadian society has to offer. Economic rewards are an essential means to other ends.
2. Gainful employment in jobs socially defined as useful and productive still remains the most important single field of activity for the vast majority of people. It is the main tie that links the adult with his society and that gives him a sense of status and identity. Prolonged or permanent unemployment, poverty and dependency, among individuals and groups, tend to become increasingly demoralizing and give rise to a host of costly and destructive social and psychological problems.

This is not to say, however, that economic development is or should be the key or primary goal in any program for Indians or that it is separate and distinct from other aspects of social life. On the contrary, as this study will emphasize, there is every evidence to indicate that the economic development of Indians depends not only on what have traditionally been viewed as economic factors, but on a variety of political, educational, social and cultural variables. Substantial change and progress in these latter aspects may, indeed, be needed before any substantial economic development can be achieved.

Economics of Development

The broad ultimate goal that the Indian Affairs Branch holds on behalf of Indians in Canada is in one major respect similar to that of the advanced nations in relation to the developing countries -- that is, a long-range program of balanced economic and social development to approach equality in levels of material well-being and welfare between the two groups.

Since World War II there has been a widening gap in per capita income and welfare between the advanced and developing nations. Economic development on a national or international scale today requires vast accumulations of capital and expenditures for capital equipment, research, education and social welfare to cope with increasingly complex production techniques and social problems -- expenditures on a scale which only the already well-developed, high-income nations can afford. The developing nations, characteristically, are faced with rapid population increase and bare subsistence levels of income that leave little or nothing available for development. It is widely acknowledged by prominent experts and observers of the international scene that foreign aid on a large scale, intensive crash program will be necessary to arrest or reverse this trend.

The same tendency is apparent, on a smaller scale, within Canada and the U.S.A. as between Indians and Whites. As discussed further below, further economic participation of Indians in White society seems the only feasible path by which to achieve substantial improvement in economic status. The objective of increased participation would seem to call for a large and intensive crash program in the near future. The difficulties and costs of the program seem likely to increase sharply in the years ahead, for two main reasons:

1. Owing to extremely high and rising rates of natural increase, Indians are increasing in numbers more rapidly than their local resources and traditional means of livelihood can support. The income gap between Indians and Whites thus tends to widen year by year (except for the pockets of unemployable and dependent low-income Whites, in urban as well as sub-marginal rural areas, who have virtually ceased to play any effective role in the economy); and
2. There tends to be an increasing gap, likewise, between the skills that Indians have acquired, and those required by the developing national economy, which in the process of development becomes more demanding of social and community organization as well as of job requirements. In brief, it becomes increasingly difficult for the rural migrant or untrained urban worker, Indian or other, to get a foothold in the economy by starting in as an unskilled or semi-skilled labourer in urban industry and business.

There are, however, some obvious and significant differences between the two cases of the Indians and the developing nations:

1. Because of the magnitude of the problems involved, developing countries face definite limits in the amount of capital and technical or other aid available from the advanced nations. This creates difficult problems of choice for donors and recipients alike -- problems of allocation to produce optimum results in terms of contributions to economic growth and welfare. These, in turn, involve estimates of potential revenue among various agricultural, industrial or commercial projects, and even more difficult, comparisons of the welfare

effects of money put into revenue-producing industrial projects as compared to non-revenue producing educational, health or social welfare projects.

A government-sponsored and financed developmental program for Indians, by comparison, would face far less complex problems of allocation. For one thing, because of the relatively small size of the Indian population (hardly more than 1 per cent of the total Canadian population) a developmental program of unprecedented scope and liberality would still involve only a relatively minor proportion of the national income and of dominion and provincial revenues. The supply of funds and personnel for such a program would be essentially limited only by political considerations and public attitudes rather than by basic technical, physical or financial constraints,

It follows, therefore, that one major problem to be faced in encouraging greater economic development of Canada's Indian population is to encourage changes in political and public attitudes and policies that will bring about the kind of response required.

2. A major datum facing any program of aid for developing nations is that of nationalism, with all that the word implies. Most such nations are willing to receive external aid only to the degree that it does not jeopardize (or appear to, at least) their national sovereignty and independence, the maintenance of their distinct cultures, and valued institutions and customs. Nationalism often provides a strong drive for economic development, but at the same time may tend to revive and strengthen institutions and attitudes that frustrate the inculcation of attitudes, behaviour patterns and techniques necessary for such development. Generally, the smaller the nation (in terms of population, land area, size and diversity of resources), the more specialized it will be in its economy, the more dependent on external trade and aid, and therefore the less able it will be to achieve the double objectives of economic development and national independence.

Similar desires to maintain a sense of separate ethnic identity appear to a limited extent among Indians on this continent. In the nature of their situation, however, they are too small a proportion of the population, and most of the communities in which they reside are too small, scattered, and limited in resources, to provide viable economies that could support anything like independent societies. To achieve levels of economic and social development comparable to those of Whites would involve such heavy dependence on external aid and subsidy and such an intensive degree of participation in the White-controlled economy, as to make inconceivable any such degree of independence. Any substantial degree of economic development of Indians in Canada will require a far greater degree of participation in the Canadian economy and polity than has been achieved to date,

It should be stressed at the outset, however, that such participation does not require assimilation and loss of identity. Some Indians, in the process of involvement in our complex urban-industrial environment, are likely to organize and identify themselves increasingly with self-consciously Indian institutions and activities established on a larger-than-local regional or national basis. At the same time, unlike other minorities, Indians do have an assured status base in the form of reserve communities to which they have the option of returning, and these provide a stronger base for maintaining their identity than most other minorities enjoy. While the requirements for economic development will require larger numbers and proportions of Indians leaving their reserves to become established elsewhere, in most reserve communities a minority, at least, are likely to remain. There is no law or regulation, in existence or in prospect, which can force Indians to leave their reserve communities. The most that is recommended here is to provide financial aid and other support for the large and increasing numbers who wish to do so, where such measures are demonstrably the best means for improving their economic status and welfare generally. Meanwhile, for those Indians who remain in their reserve communities, a secondary but nonetheless important part of any economic development program on their behalf will require large and increasing investments in them, to provide facilities and services of a

standard generally accepted as a norm for comparably-sized White communities.

The all-important factor in this whole discussion is the matter of choice. Poverty, generally, provides few, if any, options to the individual, particularly where, as with most Indians, it is associated with dependence upon external authority for relief, in cash or kind, and other services essential for survival. Indian identity has come to be associated with a special relationship with government, in which Indians have been guaranteed protection and maintenance at low subsistence levels on their own reserves.

Economic development should seek, primarily, to provide facilities and services that would widen the range of choices available to individual Indians, e.g. to work full-time, part-time, or not at all; to be relatively well paid or poorly paid; to leave their reserves to take advantage of higher income opportunities, or to stay; and for those who leave, a choice to lose their distinct ethnic identities in complex urban-industrial environments, or, alternatively, to assert them aggressively using what organized bargaining power they can muster as a separate pressure group.

In purely economic terms, an affluent society provides at least two choices to most individuals, namely, to be affluent or to be poor (and a significant minority of White society, who reject the activities and characteristics required to become affluent, opt for poverty). For the minority relegated, by prevailing circumstances beyond their control, to the ranks of the poor -- and most Indians are at present in this category --no such choice is available. The main argument for the economic development and integration of Indians, in brief, is to provide the opportunities of making the kinds of choices that most other Canadians are entitled to.

Economic Development

As the vast body of literature that has been written on the subject since World War II makes all too evident, economic development is a difficult subject to define meaningfully, let alone to measure and compare by degree among regions or countries. The same applies in attempting to compare degrees of development among different Indian communities in Canada. The measures here considered are:

1. Accumulation of Wealth-Ownership Per Capita

Per capita ownership of wealth has several obvious limitations as a criterion of economic development. Development, as such, has or should have, the connotation of a dynamic, on-going process. Wealth or ownership of capital, as such, is static. Only if the wealth is being actively used in conjunction with labour, resources, and technology to achieve continued growth, can it be considered as any accurate sort of index of development. Among Indian bands there is the special limitation that some of the richest of them, as measured by individual and collective ownership of wealth (in the form of band funds) have achieved this status primarily by the lease or sale of resources to others.

2. Per Capita Real Income

The most widely used single index for comparing the degree of economic development among nations is that of per capita real income, i.e. the volume of goods and services per head of population, allowing for differences in prices and exchange rates

This index likewise has some obvious limitations. A relatively small but untrained or unskilled population that has the good fortune to occupy a wealth of resources having a large demand in outside markets may enjoy a higher average per capita real income than a more skilled and industrious population that controls limited resources. Thus, the Sheikdom of Kuwait, on the Persian Gulf, has one of the highest average real incomes of any country. Or again, by this measure alone, Canadians would be deemed more economically developed than Englishmen, Germans, or Japanese (indeed, four or five times more than the latter). Such limitations would apply with

special force to Indians, as there is fully as extreme a diversity in resources owned by, or accessible to, various Indian bands as there is to the nations of the world. There is wide inequality among Indian bands likewise with regard to ownership of band funds and the receipt of band revenues. Finally, a large part of the income of many Indians is derived from external subsidies or relief, mainly because of inadequate economic development.

3. Per Capita Real Income from Gainful Employment

The only adequate single index for measuring economic development among Indians in Canada would seem to be that of per capita real income from gainful employment, for it measures the results of active, income-producing participation of individuals and groups in the economy, rather than of living off the proceeds (sales, interest, rents and royalties) of ownership of capital or resources. In some cases (as with the Sarcee and Sampson Bands in Alberta) such income may itself enable and induce Indians to avoid gainful employment and thus impede their economic development beyond a limited level.

4. Conflicting Models: Specialization vs Diversification

Measuring economic development by the single index of per capita real income from gainful employment necessarily has some limitations of its own.

- (a) In the first place, a more significant index of comparative economic development among Indian bands may in some respects be the average annual earnings of the employed members of the band. The per capita income of a population depends significantly on a number of variables. For one thing, a few high income bands have had birth rates well below the generally high average for Indians since World War II, so that a smaller proportion of their population is in the unproductive, non-earning younger age groups (under sixteen). Again, there are wide differences in labour participation rates (particularly for women) in the population of working age (sixteen to sixty-four years inclusive). And finally, some bands whose full-time working members earn relatively high annual incomes, also have a relatively large fraction of unemployed or under-employed adult males. However, all of these are variables that contribute to or obstruct economic development. Average per capita real income, as a comparative index or measure, can reasonably be taken to include these variables.
- (b) There is a more important objection to the narrower definition. On the international scene, developed and developing countries differ sharply in their industrial and occupational structures as well as in per capita incomes. Characteristically, the highest income, most economically advanced nations have a small and decreasing percentage of their population engaged in agriculture and other primary industries, a sizable but static or slowly increasing percentage in manufacturing or secondary production, and a large and rapidly growing percentage in the tertiary fields, e.g. sales and services, particularly in the professional category, and finance. They are also characterized by generally high educational levels, a consequent low and decreasing participation rate of younger age groups (below eighteen or twenty years of age) and a high and rapidly increasing participation rate of women (particularly married women) in the labour market. Developing economies contrast with this pattern on virtually every point. Most of their populations are engaged in primary production, and their economies usually specialize in a few staples in the primary category for sale in outside markets; they have customarily low educational levels, people go to work at a young age, and most women are engaged in work mainly for domestic consumption. Business, professional and managerial personnel comprise only a very small fraction of the labour force.

Should comparable models be used in comparing economic development among Indian communities, rather than the one simple index of per capita real income from gainful employment? Would there be a high degree of correlation in any case, between the per capita incomes of bands and the degree of diversification of band members in various specialized jobs? The picture appears mixed in this regard, as the analysis that follows will bring out.

The lowest income and most economically under-developed bands exhibit, on a small scale, much the same characteristics as do developing nations. This is particularly the case among the more isolated bands along the whole large northern wooded belt of the country, whose populations specialize to a high degree in hunting, fishing, and trapping. It is also true of numerous southern bands whose adult workers are largely marginal or sub-marginal farmers or casual farm labourers.

Among the most economically developed bands at the other extreme, are some large Indian communities in Southern Ontario and Quebec whose members are employed in a variety of occupations -- farming, skilled and semi-skilled factory jobs, clerical labour, and a few business or professional positions and proprietorships.¹

There are important exceptions to this generalization, however. Among the highest income bands -- in fact, the bands whose working adults receive the highest average annual earnings -- are several in which a large minority or a majority, of adult male workers specialize in certain types of relatively

¹There is, perhaps one notable type of exception to the generalizations in this section concerning the inability of minority ethnic or cultural groups to survive as viable economies, when established in relatively small communities having, at most, a few thousand inhabitants. The Hutterites are, perhaps, the most notable example that would seem to disprove the thesis. They have managed to retain relatively diversified and self-contained local economies, together with a language and a distinct set of religious beliefs, values, customs, modes of dress and styles of life that differentiate them rather sharply from the norms of the larger society that surrounds them. This ability to survive as a small, distinct minority group depends, however, on a number of special factors, such as:

1. The rigorous process of rejection that characterizes the membership of certain religious sects;
2. A strongly imbued, rigidly interpreted and enforced, religious doctrine;
3. The top priority given to farming, supplemented by ancillary handicrafts, as the necessary way of life and economic base of a separate religious-cultural community, to enable it to maintain the relatively high degree of independence and self-sufficiency needed for survival;
4. A closely integrated set of beliefs, values, and rules to support such an economy (e.g. idealization of work as such, particularly farm work; austerity and restriction in food, dress and recreation and other forms of consumer expenditure; etc.); and
5. A highly centralized and authoritarian system of internal government to assure compliance with community norms and restrictions deemed necessary for survival.

At various times, over the past several decades in Canada and the U.S.A., numerous sectarian minorities, having most or all of the characteristics, objectives and motivations outlined above, have attempted to establish and maintain themselves as independent, more or less self-sufficient cultural and economic entities. Few have managed to survive, despite intense and at times violent efforts to do so. (The Doukhobor sect, particularly the more fundamentalist Sons of Freedom wing, is a notable example..)

Indian bands for the most part, lack practically all of the qualities outlined above.

The possibilities of Indian bands achieving and maintaining viable local economies comparable to those of the Hutterites, therefore, seem very limited.

high-paid skilled or semi-skilled work, some of them in the primary industries and some in secondary industries. Among these are the Caughnawagas in Quebec, who specialize in high steel construction, and the Skidegate, Squamish, Sheshaht and Nimpkish, all in British Columbia, who specialize in such fields as long-shoring, logging and fishing. With the exception of Nimpkish, these bands generally have a smaller percentage of their adult population engaged in business enterprises, professional and clerical work, and a smaller proportion taking post-high school or university education, than numerous lower income bands in Central Canada and in British Columbia.

In the nature of the case, the criteria for measuring economic development, and the most feasible program or strategy for encouraging it, are not, and cannot be, the same for native Indian communities as for nations. Modern nations -- even the smallest and those most dependent on foreign trade -- are relatively large and diversified entities in which the people, in the aggregate, work, produce and sell most of the output of goods and services among themselves. No nation depends on external trade for more than one-half --and very few depend on it for more than one-quarter -- of their total income. Therefore, economic growth of a nation depends upon developing an increasing diversity of specialized employments and outputs of goods and services.

By contrast, Indian bands in Canada, even the largest, are far too limited in population and resources to achieve anything approaching self-sufficiency. Their level of economic development depends essentially on their relationship with, and participation in, the external White-controlled economy.

One exception among Indians, in a sense, might be the few remaining partially nomadic bands that still derive their livelihoods primarily from hunting and fishing, and to a lesser degree, trapping. Even here, however, they are not independent or self-sufficient, in so far as they depend on deriving their livelihoods from externally-owned Crown lands rather than from their own reserves.

Among Indian bands there are different paths and different strategies for achieving economic development. For some, it involves specialization, and for others, diversification, depending on the productive economic relationships that can be developed with the Canadian economy in each area. For it is a cardinal tenet of international and interregional and even local trade, that the maximum economic advantage for the individual, the group or the community, lies in specializing in employment or output for sale in the outside market in those fields in which one has a comparative advantage, buying from outside those things that would cost more to produce at home, hiring the services of others to do jobs that one cannot do as well or as cheaply for oneself, and leasing to others resources that would yield more income than could be derived from developing them on one's own.

This is more than an academic question. It has important implications for any Indian Affairs Branch program designed to speed up the economic development of Indians. How should financial and other resources be used so as to get the maximum (or optimum) results in the shortest time? Should the major expenditures of money, time and effort be devoted to training and encouraging Indians to specialize in certain occupations for which they have special capacities and preferences, for which openings are most easily available, and which offer the prospects of adequate, though limited, returns in money and status which would yield highest average, per capita real income in the foreseeable future? Or should the major effort be devoted to encouraging all Indians as individuals to develop to their full capacities, aspiring to a wide range of occupations that differ widely in education, skill and personality requirements, and that offer widely unequal returns in income and status and, on the average, perhaps lower per capita incomes than would the first pattern? In brief, should the main emphasis be placed on encouraging diversity rather than specialization in the role that Indians are to be trained and encouraged to play in the economy?

For various reasons gone into more fully below, the weight of evidence would seem to favour specialization during the foreseeable future at least. Maximum diversity may be more desirable ultimately, but in the nature of the case it would seem slower in achievement and results.

This argument should not be carried to the extreme, of course. It is a matter of relative emphasis. Individual Indians who show special aptitudes or interests for higher academic or technical education, or for clerical, business or other types of jobs that differ from those engaged in by the relatively well-paid minority, or majority of adults in the band, should be given every encouragement and aid to make full use of their talents and opportunities.

Balance in Economic and Social Development

A very considerable change has occurred during the past few decades in the philosophy of economic development and social change, and in views as to appropriate government policies, as a number of comprehensive studies have brought out (e.g. Report on the World Social Situation, United Nations, N.Y., 1961).

- i. Up to the late nineteenth century, the prevailing theory of economic development was essentially exploitative. Development required the accumulation of capital, which in turn required widening inequality of incomes. Some by virtue of superior strength, cunning or fortune at birth, got a larger share of the national income, and their fortunes made capital available for productive investment. Others, getting less, had to suffer poverty and deprivation as the price of progress. The Marxists and the more conservative laissez-faire economists were agreed on this point at least.
- ii. A growing modification of these views developed with theories of, and movements for, reforms of various kinds. There was growing demand for legislation and welfare programs that would put some sort of floor under the incomes of the weak and the poor and protect them against exploitation. Economic development, or industrialization in the broad sense, was viewed by many as retrogressive from a social welfare point of view, because of many unhealthy developments it led to -- disorganization of community and family life, child labour, urban slums and congestion, and delinquency. Such social problems seemed most apparent when industrialization was introduced or superimposed by one cultural group upon another.

A rising expenditure by government for social welfare measures has thus come to be justified as necessary to cover the social costs of economic development and industrialization. Implicit in this view, however, is the assumption of competition and therefore a problem of choice, between economic (or revenue-producing) and non-economic expenditures. Welfare facilities and services, being non-revenue-producing, have to depend on tax revenue extracted from the revenue-producing sectors (predominantly private enterprise).

- iii. Further shifts in emphasis have occurred since World War II with the growing interest in social and cultural variables directly affecting the rate of economic development; it is expressed in such phrases as "balanced economic and social development", or "balance and integration of economic and social development". No neat theoretical model or consistent body of theory has been formulated to provide firm guidelines for policy. It consists, rather, of a practical formulation of policy based on the following assumptions which come from considerable past experience:
 - (a) Economic development, or industrialization, does not necessarily constitute a sole or major cause of social disorganization and costly social problems. The most serious social problems today seem to be occurring on the most massive scale in those regions or countries in which economic development is failing to occur rapidly enough to meet the needs and aspirations of rapidly growing populations.
 - (b) Expenditures for social development in the broad sense -- for education, physical and mental health, etc. -- should not, therefore, be considered simply as costs (or debits) to be measured against the gains (or credits) that economic development makes

possible. As the report of an expert committee of the United Nations put it recently: "Instead of treating social policy as a housemaid whose function is to tidy up human suffering and insecurity left in the wake of economic development, social objectives should be built in on an equal footing with economic objectives into comprehensive social and economic planning." (Op.cit., p. 23).

This postulates, in effect, two related views:

1. What adequate measures of social control and welfare undertaken in conjunction with economic development could prevent many socially disorganizing effects of such development, and reduce the costs of having to deal with various long-range social problems that would otherwise accompany it; and
2. That on the more positive side, expenditures of sufficient amounts, and of the right kinds (difficult as these are to judge) are or can be among the most important contributors to economic development, just as much as, or more than, capital expenditures for machinery, roads, irrigation projects, and the like. Indeed, as numerous ill-founded experiments since the war have shown, investments in real capital tend to mean pouring money down the drain unless there has been sufficient prior training and preparation of the recipient population to make adequate use of such facilities.

Economists have been paying increasing attention to the economics of human investment since the War, and have been coming to the conclusion that in many situations, the percentage rate of return (or percentage growth in output and income per dollar of investment) is greater when put into human capital than into "real" (or physical) capital.

Expenditures on education are a case in point. Some economists present a convincing case to argue that rising standards of education of the labour force, expenditures for research, the resultant accumulation of knowledge and its application in technology have, in the aggregate, accounted for the largest part of the increased productivity that the advanced western economies (as well as the U.S.S.R. and Japan) have experienced in recent decades.

Some of the same considerations apply to a lesser extent, probably, to other types of expenditures for social development. Programs that improve the housing, health and nutritional standards of a population should be expected to pay off in greater productivity and output made possible by greater energy, lower rates of absenteeism, etc. Improvements in mental health and family life through provision of better services should likewise pay off in better morale and stronger work motivations.

Such observations cannot be taken simply at face value, of course. The types of program and their timing in relation to one another, as well as the amounts spent on them, may be crucial. An educational program that stressed ancient virtues, or the classical values of an aristocratic elite, might generate a contempt for manual work, technical expertise, and business enterprise of the very kinds that an under-developed people most need to advance economically. Again, medical and health programs carried out on their own, without prior preparation for their end results, have contributed in many cases to rates of population growth that have outrun economic development, thus in the long run reducing rather than improving the sum total of human welfare.

Birth Control and Economic Development

The above suggests, of course, that programs for the effective control of population growth are, or should be, among the most important in any serious planning for balanced economic and social development. Indeed, such economists as H. N. Villard have presented a convincing case supported by sound statistical estimates, that a large investment of foreign capital in a really massive campaign for reducing birth rates would increase the per capita real income of such countries as India or Pakistan considerably more than would an equally large investment in major capital projects.

Here, again, generalizations that are valid when applied to nations having to depend primarily upon their own resource development, capital accumulation and acquisition of technological know-how, are not always applicable to a group like native Indians, who comprise a minute fraction of the total Canadian population, and whose economic development, as noted, must depend primarily upon their greater involvement in wage and salaried employment in the larger economy. For the following reasons, among others, there would seem to be few, if any, valid grounds for recommending a concerted birth control campaign among native Indians as part of any overall program for their economic development:

- (1) It would be unwise and discriminatory to single out any minority for a special birth control campaign simply on the grounds that it is poor and has a high rate of population growth;
- (2) Most economists in Canada maintain that the country is under populated, and that a larger population would encourage economic growth and higher per capita output and income generally. Government policy has been based on this assumption, since World War II at least, and vigorous efforts have been made to encourage rapid population growth by such varied measures as family allowances and subsidized immigration.
- (3) Native Indians comprise hardly more than 1% of the total Canadian population. While their rate of natural increase is almost double that of Whites, their total impact in numbers cannot be deemed to constitute any conceivable threat of over-population in the foreseeable future.
- (4) Among Indians themselves, in the aggregate, the evidence available (as outlined in Chapter IV) indicates that a high rate of natural increase is not an important factor contributing to their generally low state of economic development. Some of the most developed bands (as measured by per capita real income from gainful employment) are among the largest in population, and have among the highest rates of natural increase; and vice versa.

Indians in some parts of Canada face a population (or over-population) problem in only one very limited sense -- that is, in various bands the population has outrun the capacity of locally available resources and job opportunities to support them, so that they are suffering declining real incomes from gainful employment. Such communities in reality, however, represent not problems of over-population that call for birth control measures, but rather, shortcomings of government policy and public attitudes that have failed to provide the facilities and services necessary to give Indians the education, training, motivation and mobility needed to enable them to develop economically.

All this, of course, does not rule out the provision of birth control aid and information for family planning to Indian individuals or households any more or less than for members of other groups.

Welfare and Economic Development

Perhaps the outstanding example of unbalance and poor timing in economic and social development on the North American continent, may have been the administration of relief and social welfare. Ready provision of welfare grants and ancillary services to unemployed and indigent families may have encouraged people to remain in idleness rather than to look actively for work or to stay on a job. The Indian Affairs Branch has come in for particular criticism on this score although much of the criticism has been unfair and misguided. A far larger proportion of Indians than of Whites depends on relief at least part of the year and in some of the more depressed bands relief, together with other social security benefits such as family allowances and old age pensions, provide more income to the population than do their earnings from gainful employment.

Again, with the wisdom of hindsight, it is now apparent that a vigorous, well-designed and comprehensive program of economic development should have

preceded, or at least accompanied, the provision of more liberal welfare or social security benefits. For, among a people who have become more or less accustomed to a low subsistence level of living, subsistence from welfare can permanently replace subsistence from work (particularly where, as in the case of most under-developed Indian bands, the work available for the members is often arduous, disagreeable, risky and low-paid, as in trapping, and in unskilled farm labour and construction jobs). Economic development when attempted under these circumstances, then, faces special difficulties because of widespread apathy, resignation and lack of motivation among the people it is attempting to develop.

In an attempt to counteract and reverse these tendencies, a new program of community development is being launched by the Indian Affairs Branch as well as by several provincial government departments. The central idea of this program is to help people to help themselves, to arouse and mobilize the latent or unused energies of people in various communities by inducing them, by one means or another, to undertake projects on their own that will contribute to their economic or social betterment, rather than relying increasingly on the government to provide a minimum of subsistence and other essential services. The various roles, requirements, and relationships between economic development and community development, respectively, will be discussed at greater length later in this study.

Integration and Economic Development

To repeat, greater economic development for Indians in Canada is not an end in itself. It is essentially a means to other ends, a means by which they may participate more fully and effectively in the larger society and live a fuller, richer, more meaningful and satisfactory life. The larger goal of rehabilitation and development programs for Indians is their more successful participation in Canadian society.

The economic development of Indian communities in Canada because of their highly dependent position, rests essentially on the relationships which their members develop with the larger external society. Presumably, then, the more fully and actively that Indians participate in various facets of Canadian society, the greater their level of economic development should be. More specifically, if a high proportion of a band's members participate in various economic, political, social or other activities in Canadian society, and on a more or less equal competitive and cooperative basis with Whites, this would develop, or at least indicate, levels of motivation, skills and technical knowledge that would tend to raise the general average of real income above that of bands that remain comparatively isolated, economically and socially.

Such conclusions are not necessarily valid, however. A high proportion of band members in good jobs off the reserve might mean that a community is drained of its pacesetters while the residue remains economically and culturally depressed and impoverished. Or, by contrast, a geographically or socially isolated band could enjoy a relatively high level of per capita real income from gainful employment if it controlled or had access to high revenue-producing resources which members of the band were able to utilize effectively without participating actively with the outside.

Again, there is a question of the pattern of participation of Indians, as there is with economic development. Two Indian bands could be said, in a sense, to be similar in this respect if an equal proportion of their members of various age groups participated equally intensively and in comparable status levels, in organizations or activities in which Whites also participated. But the pattern of such participation, and its effects upon Indians and Whites alike, could conceivably be markedly different. Here again, as with economic development (and necessarily interacting with it), we may oversimplify the picture by setting up the two models of specialized and diversified participation.

The position was taken earlier that more rapid economic development for Indians could be achieved, in most cases, if the major aid and encouragement were given them to specialize in types of jobs which were most open and available

to them, where such employment was reasonably well paid and met the special capabilities or interests of a sizable minority, or majority, of Indian members

-- this as against attempting to train and prepare Indians for every conceivable type of employment that might be available to them sometime in the future.

One possible objection to the first alternative is that if Indians were to fit into the economy in a highly specialized role as predominantly semiskilled or skilled manual labour, their social status or image might tend to be fixed at a certain level, and their ability to participate in numerous types of social and other institutions would be correspondingly limited. If Indians were trained and prepared for a more diversified economic role, even if it meant a lower per capita real income on the average, it might render them better able to participate in a variety of organizations and activities.

As against this, there is the major fact that, in our society, money income is still the major means of obtaining the satisfactions to be derived from the various facilities and activities that it has to offer. By and large, the greater the money income per capita of an Indian band, the greater will be the possibility of participation by its members in one activity or another in Canadian society and as stressed earlier, a specialized economic role by the majority, or a substantial minority, does not preclude giving every aid and encouragement to specially promising individuals to enter other types of jobs that offer higher rewards in income and prestige.

The image that a White community has of Indians would probably be improved as much by one or two outstanding members of a prestigious profession or other occupation, as by a larger number of moderately successful or mediocre aspirants or practitioners. Or, as another pattern, a band, the majority of whose adults are self-supporting semi-skilled workers is likely to create a better image than one in which a minority achieves special status in the White community, while a large minority or a majority remains in the ranks of the casual unskilled or dependents on welfare.

Again, the pattern of social, as distinct from economic, participation in Canadian activities and organizations (though the two are related) may follow a specialized, or a diversified, pattern. It seems to be characteristic of some bands, for instance, that a large proportion of the population participates actively with Whites in a limited range of organized activities --for instance, trade unions and competitive sports. In other cases, a minority of Indians participates with Whites in a wider range of activities, such as P.T.A., church socials, 4-H clubs, Boy Scouts, etc. The professional Indian participant has become almost a distinct occupational or vocational type in his own right.

There is also a third variant to consider. So far we have been discussing two patterns of participation in terms of numbers or proportions of a band participating with Whites in the same organizations and activities. In different ways, both types of bands may be said to have limited autonomy or self-sufficiency. More or less in contrast to these are numerous Indian bands in which there is a high degree of organization within the band community, and most participation is in predominantly band-controlled organizations. This sort of pattern may tend to apply particularly to fairly large bands having a strong agricultural base and fairly diverse fields of employment, as well as having some degree of spatial separation from White communities.

This raises a number of questions: Do highly organized Indian communities (in this internal, semi-autonomous sense) tend to have culturally separatist tendencies? Or does wide and active participation within the community also encourage more active participation with Whites in outside organizations and activities as well? Again, does such a pattern of organization tend to slow down economic development of the group, through discouraging active participation in the outside labour market, or does it encourage it by strengthening the Indian's pride and morale? From the evidence available so far, there seems to be no very clear correlation between economic development, internal or autonomous organization within the band and patterns of participation in White society. The most unorganized bands (in the internal, semi-autonomous sense discussed above), include some of the poorest Indian communities in the country (particularly a number of isolated, depressed and dependent bands depending on hunting, fishing and

trapping in areas with inadequate resources) but also some of the most economically developed and integrated bands (such as the Lorette in Quebec) . Again, a high degree of economic participation of the specialized pattern discussed above does not necessarily preclude separatist tendencies or a strong drive for cultural autonomy, as shown by the example of Caughnawaga.

These various patterns of relationships, of course, have important implications for every important aspect of Indian Affairs Branch policy. They raise, first of all, the question of priorities in the allocation of funds and trained personnel. In educational policy, should the major effort be devoted to training Indians to play fairly specialized roles in the economy, or to giving the same type of education that Whites have at each age level? Should the Community Development program be oriented primarily to the Indian community as such, or should it focus primarily on nearby White communities as well, and on orienting Indians to the latter? In any economic development program generally, to what extent should capital and technical aid be devoted to encouraging and enabling Indians to develop the land or other resources available to them to the fullest extent, as against devoting it to aiding and encouraging them to move elsewhere and take special training courses for urban-industrial employment? How much should be expended for welfare, housing aid, social work and home economics counselling for Indians residing on reserves, as against those who have left the reserves and face special difficulties in adjusting to life in urban centers?

It is clear that in view of these issues and the wide range of differences among Indian bands with regard to the degree of economic development, ownership or access to resources and to markets, location in relation to White communities of various kinds, and degrees and patterns of participation in Canadian society, all facets of policy will need to be highly flexible and call for different priorities in different situations.

CHAPTER III

SOURCES AND METHOD OF THE ECONOMIC SURVEY

This is the first attempt to carry out a nationwide study of the economic status and development of Indians in Canada on a comparative basis. Hitherto, research studies of Indians in Canada have been local or regional in scope. Various divisions of the Indian Affairs Branch have made nationwide statistical and evaluative surveys of particular aspects of Indian life (educational levels, housing conditions, welfare expenditures, family income and the like). But no thorough-going attempt has been made, until now, to integrate and interpret data from these sources to get a comprehensive picture of the economic position of Indians across the country.

The questions this study will attempt to answer are:

What is the general economic status or level of development of Indians as a whole across Canada? What factors account for their generally low economic status?

What are the more significant differences among Indian bands with regard to per capita incomes and other indices or factors of economic growth (industrial or occupational structure; unemployment or under-employment; dependence on welfare and other forms of subsidy; accumulation of capital)?

What are the main variable factors -- geographic, economic, social, cultural or administrative -- that account for the differential levels of development among different communities?

What have been the main policies followed by the Indian Affairs Branch in administering to the economic welfare of Indians, and in what ways have such policies contributed, favourably or unfavourably, to their further development?

- (1) The main source of data for this research survey is a detailed Resources Questionnaire which the Economic Development Division of the Indian Affairs Branch prepared and circulated in 1964 to Superintendents across the country, to include all bands within each agency. When all the questionnaires have been completed and returned, and their findings tabulated and analysed for all 562 bands, they will provide a far more accurate, detailed and comprehensive picture of Canada's 200,000 plus Indians than any that has been available before. The eighteen-page questionnaire contains no less than 124 questions, several of which cover two or more items. These, in the aggregate, provide a wealth of material concerning the current economic position of Indians. They include such items as: land and timber, and other resources in each band community; ownership of capital of various kinds; types of jobs, rates of pay, and duration of employment in each job; and organizations in the community.

Completing the survey requires a tremendous amount of time and effort on the part of already scarce and overworked I.A.B. personnel. In the few sample questionnaires that have been returned so far, covering individual bands, Agency Superintendents and their assistants report spending anywhere from thirty to seventy hours of work spread over a period of several weeks in addition to their regular duties, to complete each questionnaire for each band. At the time of making this analysis, not all the questionnaires were completed. Pending completion of the survey, it was felt that a reasonably accurate picture of the aggregate could be obtained from a selection of bands. A list of fifty bands was drawn up and superintendents in the agencies in which the bands are located were requested to give these first priority in completing and returning the questionnaires.

The basis of selection was as follows:

First, for each major province or region of the country (Maritimes, Quebec, Ontario, Prairies, British Columbia, the Yukon and North West Territories) the number of bands chosen and their population were roughly equal (as a proportion of fifty) to each region's Indian population in proportion to the total in Canada.

Second, the bands within each region in turn were chosen, as far as possible, from three rather arbitrarily defined types, classified as follows:

1. Relatively isolated and under-developed. Primarily hunting, fishing and trapping bands in the northern wooded belt from Quebec to British Columbia inclusive, but also including a number of bands located in farming areas in the more southern sections of most provinces.
2. Transitional. Bands located in more or less close proximity to White communities of various sizes, and subject to relatively rapid change.
3. Developed or advanced. Bands which, from the knowledge available, appeared to stand out above the vast majority with regard to such indices as per capita income, proportion employed in steady, well-paid jobs; low rates of dependency on relief or social welfare; and successful business proprietors or professional men. Only a few met these standards, and they were all in Southern Quebec, Southern Ontario and British Columbia.

By the end of October, 1964 questionnaires on thirty-five out of the sample of fifty had been completed satisfactorily and been made available. The job of compiling and tabulating, analysing and interpreting the data, adding data from other sources covering communities in the sample, and preparing it all for computer analysis took several months. It was decided to continue rather than wait for the remaining fifteen of the original sample to be returned. Most of the statistical estimates that are tabulated and analysed in the pages that follow are drawn from the group of thirty-five Indian bands. By the time of writing (May, 1965) a number of additional questionnaires had been received. However, a few of the earlier ones were not used in some of the tabulations because of obvious errors or omissions.

- (2) There are some obvious objections to this selection in so far as the bands are not entirely representative of Indian bands across the country. While they account for slightly less than 7 per cent of the 562 bands, they have a total population of 35,683, or almost 18 per cent of the Indians in Canada. The larger, more economically developed bands (such as Six Nations, Caughnawaga, Walpole Island and Squamish) are over-represented in the selection of thirty-five, while the smaller, more isolated bands, and to a lesser extent, the rural bands in the Prairie region, are under-represented.

However, where the central interest in the analysis is economic development, as such, the data available about the economically developed bands are crucial.

Furthermore, there is already a sizable body of data about the relatively under-developed northern trapping bands available from such sources as the study of Indians and Metis in Northern Saskatchewan by Buckley, Kew and

Hawley (Centre for Community Studies, Saskatoon, 1963), in Northern Manitoba by Jamieson and Hawthorn (Committee on Manitoba's Economic Future, Provincial Government, Winnipeg, 1962) and in Northern Ontario by Dunning (Social and Economic Change among the Northern Ojibwas) and Greenwood (Big Trout Lake). Much of the analysis in this Report concerning Indians in the Northern region has been based on such sources.

Apart from the basis of selection, as outlined above, there are certain limitations in the Resources Questionnaire itself that should be noted.

- (a) First, it should be stressed, the questionnaire was not designed for the specific needs and purposes of the current research project on Economic Development of Indians in Canada, with which this Report deals. As the title suggests, it is a resources questionnaire, not a questionnaire on economic development as such. That is, it was designed, within the limitations of time and personnel available to the Indian Affairs Branch, to provide a comprehensive and up-to-date 'inventory' of the main resources contained within, or available to, Indian band communities across the country, in relation to their resident and non-resident populations, classified into broad groups according to employability or unemployability, occupations, earnings, and regularity or duration of employment. These, of course, are the types of basic data essential for achieving any sort of overall view of the present economic status of Indians in Canada, and the magnitude of the economic problems they face in each area; and, despite various limitations noted below, it provides by far the best source of data available to date for measuring and analysing, on a nationwide scale, the major issues of economic development for Indians.

If the questionnaire had been designed primarily to measure the comparative levels of economic development achieved by Indian bands across the country, and to assess the numerous factors contributing or retarding such development -- as this Report attempts to do -- numerous additional questions, covering a wider and more detailed list of data, would have to have been included in the questionnaire, at the cost, of course, of much additional staff time and delay.

It should be added, furthermore, that in preparing a lengthy, complicated and detailed questionnaire, it was almost unavoidable that various gaps and ambiguities in the questions would come to light after the completed questionnaires started coming in.

For these reasons, therefore, there are certain limitations in the questionnaire, as a main source of data for the present study, as follows:

1. The main attention is devoted to the primary fields of employment, particularly farming, and relatively little to the secondary and tertiary fields.

For instance, in a section devoted to land use inventory there are more than two pages with twenty-three questions, a number of which have subsections calling for further detail, and in another section entitled "supplementary questions regarding improved land" there are an additional four pages with thirty-eight questions. Altogether, these comprise almost one-half of the entire questionnaire. The majority of both sets of questions are concerned with actual or potential agricultural use of Indian reserve land. As the survey itself brings out, and other studies substantiate this, farming plays a relatively small role in the economy of most Indian communities, and its potentialities with regard to their general economic development seem limited, at best.

2. The section dealing with capital inventory comprises forty-eight questions dealing with types of capital items, classified under the following headings: "vehicles", "agricultural fixed assets", "farm machinery and equipment", "logging machinery and equipment", "major fishing, hunting and trapping equipment", "other fishing, hunting and trapping gear", and "livestock". Each of these is, in turn, itemized in number and value under the headings of "band owned", "individually owned" and "department owned".

From the evidence available in the sample survey the primary industries covered employ more than one-half of all Indian workers in the country, the majority of whom are self-employed. But they represent fields of generally decreasing employment opportunities compared to wage work in other industries. And, because of the generally low rates of earnings, they contribute considerably less than one-half of the total earnings received by Indians from gainful employment of all kinds. Nevertheless, to repeat, an inventory of such items is extremely useful and valuable in itself in answering a number of questions and opening up numerous interesting lines of analysis.

Lacking from the list are any questions regarding the number, types and values of fixed assets, equipment and stock in the non-primary categories -- that is, industrial, commercial or service establishments of various kinds including (1) those owned or operated by band members both on and off reserves; (2) those on reserves that are owned and managed by non-Indians; (3) those on reserves that are owned by non-Indians but managed by Indian band members. These comprise one of the most significant indices to the economic development of a band.

The only provision for these type of data are three broad questions as follows:

- a) "Comment on enterprises of importance introduced in previous years, indicating success or otherwise; e.g. sawmills and other efforts to create commercial projects, etc.

--very successful
 --mostly successful
 --some success
 --tried but failed
 --none tried."

- (b) "Are there processing, manufacturing or commercial enterprises on this reserve?"

Yes No

- (c) "If Yes for the three principal enterprises, state the type, indicating whether ownership and management are exercised by (a) Indian band, (b) individual Indians, (c) Indian Affairs Branch, or (d) non-Indians."

3. The questions dealing with the make-up of the labour force, types of jobs, duration of employment and rate of earnings likewise have several limitations, so that some highly useful types of information are lacking.

- (a) For instance, one section asks for estimates of the number of employable males in the band population, and the numbers employed and unemployed, for various months of the year. This, of course, is a crucial measure of a community's economic health. Unfortunately, however, there is no provision for obtaining similar data for women workers, so that there is no way of knowing how many women are employed, what kinds of jobs they do, and at what rate of earnings (except in those questionnaires which clearly specify jobs done by women; e.g. nurses). Entrance of women into the outside labour market, particularly in factory, white-collar and service jobs, is another key element in a community's economic growth.

- (b) Again, a wealth of valuable information is available in a question entitled "employment of residents on or off the reserves". This lists nineteen different categories of work, for each of which data are to be tabulated under the headings "number of workers", "man months of work", and "estimated income". Additional highly useful data could have been obtained with a fuller description and breakdown of certain classifications. Again, the main attention is given to the primary fields of employment, and relatively little to the secondary and tertiary. The primary fields account for nine

out of the nineteen classifications, and are broken down into specific industries; e.g. "forestry on reserve", "forestry off reserve", "beef stock ranching", "dairy farming", etc. Other types of wage or salaried employment are classified into a limited number of broad categories (i.e. "clerical and office work", "unskilled casual labour", "skilled labour", "self employment in other industrial and commercial enterprises" (other than farming and primary industries) and "other sources of employment (specify)"). Each of the categories is further broken down into "on reserve" and "off reserve",

- (i) One notable and important category of work that is omitted is that of semi-skilled labour in a variety of fields, such as factory work, truck driving and longshoring. The result is some inconsistency in the returns from the completed questionnaires. Some respondents, for instance, put longshoremen in the "unskilled casual" category, while others classed them as "skilled".
- (ii) Again, it would be interesting and valuable to know in what specific types of industries Indians in different bands across the country are being employed in wage or salaried work, with a breakdown at least as detailed as that for primary industries, such as: "factories", "stores", "service establishments", "building construction", "railways and highways", "automotive transportation", etc. Fortunately, much of the missing information for the fifty bands in the sample used here is supplied by other sources, such as a survey questionnaire carried out by the I.A.B. 's Welfare Division in 1963, in which in one section, agency personnel were asked to provide data for each band on "main sources of outside employment", listed in order of importance.

Despite such limitations as these, the Resources Questionnaire provides a wealth of data which have not been available hitherto for assessing the present economic status of Indian bands across the country, and their potentialities for future economic growth. If members of the current research project had attempted a comparably wide and comprehensive survey of their own, with additional questions focussing on special developmental aspects, a far larger staff and larger expenditures of money, time and effort would have been required to get the same essential basic data, and there would have been much more delay in getting such data collated and analysed.

4. There may also be some doubts concerning the reliability or accuracy of the data incomes, particularly on estimates of real income per capita from gainful employment, which are central to the analysis that follows. The question of accuracy, however, appears to be an unavoidable problem in any attempt to get reliable estimates of personal income among any particular group in the population. There is no reason to believe that the estimates provided in the Resources Questionnaire are any less reliable than other widely used types of personal income surveys. This point perhaps merits discussion at some length.
 - (a) Accurate estimates of personal incomes -- except in terms of large national aggregates -- are, of course, notoriously difficult to get. Some of the most widely used sources are open to wide margins of error. Census returns, for example, depend primarily on the responses of individual householders (which are themselves often unreliable) supplemented by sample checks of payrolls, farms, businesses and other sources. Income tax returns, likewise are open to miscalculation, concealment and outright fraud, and in any case do not provide data for the lower income, tax exempt groups (among which are the majority of Indians). Much the same applies to smaller sample surveys. In general, income earners or households tend to be secretive about their earnings and, to inquisitive outsiders seeking information, to under estimate or under state them. Opportunities for doing so are often quite

substantial, in view of the widespread prevalence of non-standard or supplementary sources of income in many occupations, such as:
overtime and holiday pay, shift differentials, piece rates; bonuses, tips and gratuities in cash or in kind, earnings from "moonlighting"; and so on

- (b) The personnel of Indian Affairs Branch agencies responsible for providing income and other data for the Resources Questionnaire would seem to be generally in a position to get more reasonably accurate estimates with regard to Indian households than is the case with most types of personal income surveys. This would seem likely for the following reasons:
- (i) The dependence of most Indian households upon the Indian Affairs Branch for relief loans, and other types of goods and services, gives Agency Superintendents and other personnel an unusual degree of knowledge about the assets and affairs of households under their immediate jurisdiction.
 - (ii) The limited fields of employment available to Indians in most bands, and their limited mobility, makes it relatively easy to assess and check their average earnings in wage or salaried employment.
 - (iii) So also the fact that fairly detailed and accurate records of output and earnings are kept in fields in which Indians are widely engaged as self-employed proprietors. In regard to trapping, fishing, logging and pole-cutting, for instance, such records are generally required by provincial governments for purposes of conservation policy. Furthermore, the outputs in such fields of employment are generally sold through one, or at most a few, buyers in each locality, so that reasonably accurate estimates of the incomes received by producers are not too difficult to derive.
 - (iv) Again, most types of wage or salaried employment in which relatively large numbers of Indians are engaged outside of their reserves (e.g. farm labour, construction work, guiding, logging, longshoring, sawmilling, factory and clerical work generally) usually pay fairly standard hourly, daily, weekly or monthly rates over fairly wide areas, as established by custom, collective bargaining, or the forces of demand and supply in the labour market.
- (b) Special difficulties are encountered by the Indian Affairs Branch in attempting to get accurate estimates of real income in the following categories:
- (i) Of Indian band members engaged in various types of casual jobs, as well as some types of steady employment, that take them away from their reserve communities for months at a time, or permanently. As noted in the statistical data in following chapters, for a number of bands, the Indian Affairs Branch respondents have made no attempt to estimate the earnings of non-resident band members, in such cases the estimated per capita earnings of a band apply only to the reserve residents. For some of the larger, more developed bands with a high proportion of non-residents -- such as Six Nations and Tyendinaga, for instance -- this may involve a considerable underestimate of their earnings, in so far as the Resources Questionnaire brings out the fact that in most bands, where fairly accurate estimates are possible, Indians who have left their reserves for outside employment generally earn considerably higher incomes, on the average, than their fellow band members who remain.
 - (ii) In estimating average per capita real income, another type of difficulty arises in the case of numerous Indian bands, particularly in the vast Northern wooded belt of the country, that are mainly resource-based in their economies, in such

fields as hunting and trapping, fishing, pole-cutting, guiding and handicrafts. While generally having far lower money incomes, on the average, than those who specialize in wage or salaried employment for a large part of the year, Indian households in such bands generally derive a large (but difficult to estimate) part of their livelihoods from production for home use rather than for the market (e.g. game, fish, fuel wood and timber; hides and handicrafts; etc.) The net value of such items, in terms of equivalents in money income, is exceedingly difficult to assess for each band. The adequacy of resources within commuting or transporting distance of band reserves varies widely, for one thing. In some bands, most or all of the households are engaged in hunting, fishing, trapping and food gathering the year round. For some bands such things constitute a large item. The twenty-eight households in the Dog Rib Rae Band in the Northwest Territories, for instance, in addition to their hunting and trapping, catch an estimated 100,000 pounds of fish per annum, or an average of more than 3,500 pounds per household, while in others, produce for home use is derived only by those households whose adult males are actively engaged in commercial fishing or trapping for a few months of the year. And, as against the value of real income derived from nearby resources, there are the higher prices that have to be paid by members of Northern Indian bands, for purchased goods and services, due to long distances and high transportation costs, as compared to bands in more Southern regions.

Similarly with regard to farming. In some bands having farm proprietors who specialize in grain production, for instance, little or nothing may be produced for home consumption, while in others, engaged in growing diversified crops or livestock, the value of output produced for domestic use often far exceeds that sold in the market.

To meet such problems, a somewhat arbitrary estimate of average real income per annum for each band has been chosen, by assuming a value of \$50 a month for home-produced output for each household, for the months in which its members were engaged in farming, trapping or fishing. This is the most frequently quoted estimate of Indian Affairs Branch officials and others familiar with the situation, who were queried on this score. For some bands, of course, this will be an overestimate, while for others (particularly those in which a large proportion of households are on relief, or engaged in casual wage employment, but which also hunt, fish, raise vegetables or cut timber and fuelwood for varying periods of time for their own use) it will be an underestimate.

- (iii) Another sizable gap in knowledge, that perhaps leads to considerable underestimating of average per capita incomes, applies particularly to some of the higher income bands -- such as Skidegate, Sheshaht, Caughnawaga and Tyendinaga -- in which a high proportion, or majority, of adult male members are engaged in highly-paid skilled jobs. Particularly is this the case where jobs are on piece rates and involve a good deal of overtime, and where a large proportion supplement their wage work with other remunerative activities such as fishing. As against these factors, there is the fact (contrary to a widely held view) that Indians have to pay income taxes, on the same basis as do Whites, on earnings derived from jobs or resources outside of reserve boundaries. This would tend to narrow the gap, in average disposable income, between the high and low income groups, in so far as most workers in the latter category earn less than the minimum taxable level.

In any case, granting these limitations in knowledge and possible sources of error, a broad comparative analysis of a sample of Indian

bands, ranging from the highest to lowest income groups, does not require precise accuracy. The types of errors or omissions, overestimates and underestimates, as discussed above, would tend to be fairly consistent throughout the range, and sometimes to cancel one another out. Thus, while probably none of the income estimates, in statistical tables in the chapters that follow, are precisely accurate, the place of most bands in the range, and the relative differentials among main Income groups is probably correct. Within broad income groups, of course, whether high, medium or low, various individual bands would probably have to be moved one or two places further up or down, if fully accurate measures of per capita real incomes were available in every case. But it is the comparative position of Indian bands in an income-ranking, rather than a precise knowledge of their actual real earnings, that is of major interest in assessing the factors accounting for differential rates of economic development,

5. Other limitations in the information supplied by the Resources Questionnaire are unavoidable, due to the nature of the material and the difficulty or impossibility of getting reasonably accurate estimates of some kinds of data.
- (a) For one thing, the unit of study chosen is the band. If the unit chosen were the individual or family, a study of a 5 per cent or 10 per cent random sample of the total Indian population might show somewhat different results (for instance, an economically depressed Indian band might be one which most of the more enterprising or economically successful members have left).
- A special study of a representative sample of economically successful Indians in different regions would thus seem called for. Of particular interest in this regard would be Indians who had permanently left their band reserves and become more thoroughly integrated with the wider society.
- (b) Secondly, and more important, several scattered studies, special reports and casual observations, together with data from the Resources Questionnaire itself, seem to indicate that the most important determining factors governing the rate or pace of economic development of Indian bands have not been included in the questionnaire, and would not have been feasible to include in any case because they are too intangible to be identified and quantified in manageable statistical form in a broad survey of this kind. These include such questions as:
- predominant attitudes and values of Indians with regard to wage employment of various kinds, acquisition of durable consumer goods, and accumulation of capital for independent business ventures,
 - rewards or sanctions of the Indian community, applied to individuals who achieve success in professional or business careers;
 - character and techniques of leadership, and the type of ideologies required, in Indian communities,
 - the role and impact of traditional (or revived) ceremonial activities,
 - attitudes, behaviour patterns and policies towards Indians by various elements (particularly employers, potential fellow workers, merchants and purveyors of credit) in the White community, and the reactions of Indians to these expressed or implied White attitudes, behaviour patterns, and policies, and
 - finally, above all, the general structure of attitudes and relationships and patterns of participation and interaction between Indian bands and the larger White communities in different regional contexts

For data dealing with such topics as these, this project on economic development of Indians will have to depend upon the more intensive studies of particular communities. Some of these are already completed and published, and some of them are still underway. They may not comprise a properly chosen sample of Indians, in the rigorous, statistical sense, but they are sufficiently scattered and diverse in terms of location and social or economic contexts of the communities and individuals studied, to provide a realistic picture of the major non-economic variables affecting economic development.

CHAPTER IV

THE GENERAL PICTURE

In pursuit of the objectives outlined in the preceding chapters, and with the research data at present available, the appropriate first step is to provide a general picture of the economic status of Indians in Canada -- their main means of employment and livelihood, the duration of their employment, size of earnings from gainful employment, and the degree to which they depend upon other sources of income.

Tables A and B below provide a broad picture of this kind. They cover a population of 35,683 Indians in the representative sample of thirty-five bands. They range in number of people from 130 to more than 7,000. Slightly more than 73 per cent or almost three-quarters, were residing on reserves when the survey was made, while more than one-quarter were non-residents, though still retaining their band membership.

Employment and Earnings

The total earnings from gainful employment of this population amounted in all to \$10,843,638, or a little over \$300 per capita, as compared to an average over Canada as a whole of \$1,400.¹ (This low level of earnings per capita of Indians in comparison to the Canadian average as a whole, is due primarily to their concentration of employment in low-paid industries and occupations, and the wide prevalence of unemployment and under-employment. It is partly due, also, to their extremely rapid rate of population growth since World War II, and the consequent large proportion of their population below working age. From statistics taken from the Census of Indians in 1959 it was found that more than 49 per cent of the population in the thirty-five sample bands in Tables A and B were below the age of sixteen, as compared to the Canadian average of over 28 per cent, while the proportion in the productive age group of sixteen to sixty-four were roughly 45 per cent and 65 per cent respectively. In proportion to population, therefore, Indians had far fewer people in the productive age group as had Canada as a whole.)

¹This figure is derived by dividing the total Canadian population of 19.4 million average during 1964 into the total income of \$27,475 million for that year. This income figure includes total wages, salaries and supplementary labour income; net income of farm operators; and net income from non-farm incorporated businesses -- in a word, total income from gainful employment. It does not include transfer payments from governments, or corporation profits, rent, interest or other purely investment income. (Bank of Canada Statistical Summary Supplement, 1964, pp. 112, 117, Ottawa.)

These earnings were derived from 7,962 jobs of varying duration and in various types of industries and occupations that are classified in Table A into fourteen broad categories. Most of these jobs were presumably carried out by the estimated 6,327 employable males between the ages of sixteen and sixty-four inclusive. Unfortunately, the Resources Questionnaire did not contain any queries concerning employment of women or of workers under sixteen years of age, so we have no way of knowing just how the jobs were distributed as among these groups.

The sample of thirty-five bands available for analysis and statistical tabulation, as pointed out before, is weighted on the side of the larger, higher income and more economically developed bands. Nonetheless, the general picture the figures present of native Indians in Canada is one of serious unemployment or under-employment,¹ poverty and dependency.

The average duration of employment during the year, as may be seen from Column 3 in Table A, was only 4.8 months during 1964-65 (though as noted, this does not tell us the average months of employment per worker during the year, as we have no way of knowing how many workers held more than one job during the year).

A breakdown of the 6,327 employable males in terms of months of employment provides a more graphic picture, as shown in Table B. Only 28.5 per cent were employed more than nine months of the year, while 61 per cent were employed less than six months, and 23.6 per cent less than two months.

Average yearly earnings per worker were similarly inadequate at \$1,361 compared to the general Canadian average of almost \$4,000.² A further breakdown by income groups, provided in a special welfare and housing survey by the Indian Affairs Branch in 1965 provided the following estimates for the 36 bands shown in Table B: only 11.5 per cent of the Indian households had incomes of \$4,000 per annum or more; 78.5 per cent received less than \$3,000, 54.5 per cent less than \$2,000, and 28.2 per cent less than \$1,000.

Accompanying the widespread under-employment and low earnings, Indian households are heavily dependent on welfare (i.e. relief payments, in money or in kind) and other supplementary income. More than one-third (33.5 per cent) of all households in the sample depended on welfare grants from the Branch, and these amounted in toto to 9.3 per cent of total earnings from gainful employment. However, this underestimates the degree of dependence on welfare, because a number of Indian bands with larger band funds and revenues look after their own welfare needs. All types of transfer payments in the social security category to Indians including unemployment insurance, and family allowances, old age security and old age assistance, and welfare payments from band revenues as well as from public bodies, in the aggregate amounted to 31.4 per cent or almost one-third of total earnings from employment. (It should be pointed out in this connection that the percentage of total income received by Indians from welfare or "relief" payments has probably gone up in recent years, since the Indian Affairs Branch has adopted provincial scales in each region.)

¹ The official statistics on unemployment, as formulated by the Dominion Bureau of Statistics and presented in most government publications are open to criticism on several grounds. The labour force is estimated in terms of those actively seeking work and the unemployed as those actively seeking work who have not been employed in the week or more preceding the time of interview. This method tends to underestimate the degree of unemployment in two ways: (1) people who have sought work unsuccessfully for a long period tend to become discouraged, and stop looking for jobs, then they cease to be counted as part of the labour force, and therefore as unemployed; and (2) people who, when interviewed, do have a job are counted as being employed, even though they may have been unemployed for weeks or months previously, and may lose their jobs and become unemployed for long periods subsequent to the interview.

In brief, the official statistics on unemployment tend to underestimate the degree of under-employed, which in the aggregate, is a more serious problem. The statistics provided in the Indian Affairs Branch's Resources Questionnaire provides a fuller picture, with regard to employable Indian males of working age.

²This figure is derived by dividing the total income from gainful employment in Canada, as described in a preceding footnote, by the civilian labour force averaging 6,933,000 during 1964. (Bank of Canada, op. cit.)

TABLE A

SUMMARY SURVEY OF EMPLOYMENT AND EARNINGS OF INDIANS IN
THIRTY-FIVE REPRESENTATIVE BANDS ACROSS CANADA

Industry or Occupation	Total Numbers Employed	Total Months Employed	Average Months Employment	Total Earnings	Average Monthly Earnings	Average Yearly Earnings Per Worker	Per Cent of Total Earnings	Per Cent of Total Employment By Months	Per Cent of Total Jobs
Fores try:									
On reserve	592	2060	3.48	392,500	190.5	663.0	3.6	5.4	7.4
Off reserve	287	1100	3.83	208,400	189.5	726.0	1.9	2.9	3.6
+Fishing	366	1152	3.15	401,016	348.0	1095.5	3.7	3.0	4.6
+Trapping	1115	4025	3.6	646,242	160.69	580.0	5.96	10.5	14.0
Guiding	176	481	2.7	90,300	188.0	513.0	.83	1.3	2.2
Food gathering (inc. wild hay)	1070	1219	1.1	103,600	85.0	96.8	.95	3.2	13.4
Handicrafts	326	1150	3.5	69,285	60.25	212.5	.64	3.0	4.1
Sub total	4037						17.6	29.3	49.3
Proprietor farm	298	2244	7.5	488,230	217.6	1638.35	4.5	5.8	3.7
Proprietor, non-farm	185	1552	8.4	487,000	313.8	2632.4	4.4	4.0	2.3
Professional and technical	52	542	10.4	266,000	490.8	5115.4	2.45	1.4	.65
Clerical	207	1977	9.55	479,680	242.6	2316.8	4.4	5.2	26
*Skilled	1115	9429	8.45	4,944,495	524.4	4434.5	45.6	24.6	14.0
** Unskilled and Casual (Farm Labour)	2168 (95)	11339 (360)	5.2 (3.8)	2,266,890 (50,600)	200.0 (140.5)	1045.6 (532.6)	20.9	29.6	27.2
Total	7967	38267	4.8	10,843,638	283.4	1361.1	100.0	100.0	100.0

+ For those bands specializing mainly in hunting, fishing and trapping, an allowance of \$50 per month per household for "country food" was made, in arriving at the earning figures above. The same allowance is made for farm proprietors.

* A number of relatively well paid semi-skilled workers, such as loggers in British Columbia, truck drivers, and steadily employed factory workers, were included under "skilled" in this table, rather than under "unskilled and casual" or (in the case of loggers) "Forestry" as provided in the Indian Affairs Branch Questionnaire.

** In a number of the completed questionnaires, farm labour was included in the broad category of "unskilled and casual". Only 95, as shown in this Table, were clearly defined as such.

TABLE B

SUMMARY OF SURVEY OF EMPLOYMENT, EARNINGS AND DEPENDENCY AMONG
THIRTY-FIVE REPRESENTATIVE BANDS

Total Population	=	35,683
On reserves		73.27.
Off reserves		26.87.
Employable Males Aged 16 - 64	=	6,327
Employed more than 9 mos.		28.5%
Employed 6-9 mos.		10.6%
Employed less than 6 mos.		61.0%
Employed less than 2 mos.		23.6%
Annual Earnings of Workers		
Less than \$1000	=	22.5%
Less than \$2000	=	62.1%
Less than \$3000	=	81.7%
More than \$5000	=	4.67%
Welfare		
Total expenditure on Indians	=	\$1,007,796
Coverage	=	9.3% of earnings 33.5% of households
Total Transfer Payments to Indians	=	\$3,407,887
	=	31.4% of earnings

TABLE I

Bands Ranked a/c Average Per Capita Real Income from Gainful Employment	Per Capita Real Income	Average Months Employ- ment Per Worker	Average Months Employ- ment Per Job	Per Cent Distribution of Main Sources of Employment of Bands by Industry and/or Occupational Status														
				Forestry	Fishing	Guiding	Handi- Craft	Food Gather-	Farm Labour	Casual Unskilled	Skilled	Cleri- cal	Profess- ional	Farm Proprietor	Farm Non- Proprietor	Trapping		
Skidegate	1252	10.6	6.7		21.6		4.9					70.3					3.24	
Caughnawaga	793	9.2	8.2							6.5		83.6	8.5				3.0	
Walpole Is.	715	6.16	5.9		2.9	3.0	6.5			55.4		8.0	8.1		8.7		3.5	3.8
Sheshaht, V.I.	664	10.7	10.7		.8			2.0		24.8		72.3						
Lorette	630	10.5	8.7			3.0	14.0			32.3		18.5	1.0.1	2.0			19.5	
Squamish	630	8.0	8.0		1.5		2.1			62.6		28.3	1.7				1.7	
Tyendinaga	516	8.3	8.0							24.5		36.5	12.0		17.5		4.6	
Curve Lake	350	7.3	3.1			6.8	8.1	10.2		30.6		28.5					8.1	8.0
Six Nations	350	7.5	4.0							13.9		35.8	2.1	8.5	12.9		4.7	
Mistassini	341	5.6	5.6	8.1	2.9	2.3				27.6		2.3	1.4					54.3
Masset	336	3.8	3.8		20.5		6.0			52.2		14.9			1.9		4.3	
Dog Rib Rae	332	5.67		8.0	12.3		4.0			28.6			4.0					42.5
Port Simpson	325	6.9	4.35		30.0					36.4		24.6					5.5	2.1
Kamloops	314	9.5		7.2						5.0		51.8	8.6	1.4		11.5		
Sarcee	302	6.7	2.82				10.7			17.8		21.4	10.7	6.9		23.5		
Fort William	298	8.1	6.45	31.7								40.1	16.9	8.4				
Williams Lake	291	7.5	3.23	13.3					26.6			23.9	10.6		25.7			
Moose Factory	284	6.24		6.1						48.0		24.6	4.9					12.3
Fort Alexander	255	7.1	1.7															
River Desert	250	4.9	3.5	53.4		15.4	2.7			5.6		5.1	6.2	2.5	2.6		3.7	6.2
St. Mary s	249	7.27	2.3	55.8			3.3	4.2	6.2	22.5		1.2					3.3	
Attawapiskat	247																	
Pointe Bleue	222	6.2	5.6	3.3			5.6			40.1		14.7	20.3				8.1	5.0
Tobique	215	10.6	3.7	10.3			11.0	12.9	41.2	16.5		8.2						
Pekangikum	197	6.3	3.4	6.8	19.8					13.5								57.4
Shubenacadie	180	4.3	2.5	8.8			22.7	15.1		26.5		6.0					9.1	

TABLE I (continued)

Bands Ranked a/c Average Per Capita Real Income from Gainful Employment	Per Capita Real Income	Average Months Employ- ment Per Worker	Average Months Employ- ment Per Job	Per Cent Distribution of Main Sources of Employment of Bands by Industry and/or Occupational Status												
				Forestry	Fishing	Guiding	Handi Craft	Food Gather-	Farm Labour	Casual Unskilled	Skilled	Cleri- cal	Profess- ional	Farm Proprietor	Farm Non- Proprietor	Trapping
Oak River, Man.	176	3.6	3.6						8.7	31.2	10.4			32.3	8.7	8.7
Rupert House	174	3.2	2.5	7.8		10.4				5.2						62.3
Cold Lake	165		3.4	25.5	2.8		16.7		5.5	10.0	3.2			18.7		2.8
Fort St. John	161	5.0	5.0													
Deer Lake, Ont.	156	3.6	3.5		18.7		3.1			15.5	1.8	1.8				56.6
The Pas	140	6.6	6.6	3.4			5.6			58.2	4.8	4.8		2.4	13.5	4.8
James Smith	126	6.6	3.3							29.2		5.2		26.8		15.1
Peguis	99	4.6	4.6	13.7	6.8					18.3	5.6	13.7		37.0	1.4	
Big Cove	61	7.0	2.75	23.6			25.5		28.3	5.7		8.5				8.5
Piapot	55		5.5	11.0						54.7	4.6			23.3	6.0	

TABLE II

Bands Ranked a/c Average Per Capita Real Income from Gainful Employment	Average	Average	Partici- pation Ra te %	Duration of Employment of Employable Males Aged 16-64			Annual Incomes of Resident Households*			
	Annual	Monthly		%	%	%	%	%	%	%
	Earnings	Earnings		Employed	Employed	Employed	<	<	<	>
	Per Worker	Per Worker		< 2 mos.	< 6 mos.	> 9 mos.	1000	2000	3000	4000
	\$	\$								
Skidegate	4642	438	37.7	2.8	5.6	64.3	15.4	30.8	54	30.8
Caughnawaga	4554	495	25.6	17	42.5	42.6	15	25	55	33
Walpole Island	2048	332.5	51.3	12.6	20.5	37.3	12.9	48	83	8
Sheshaht, V.1.	4400	411	34.7	6.4	11	85	20	28	40	50
Lorette	3529	336	52.3	5.7	5.7	94.3	11	30	53	24
Squamish	3427	428	38.9	9.3	29.6	51.8	6	24	60	23.5
Tyendinaga	3818	459	25.2	15.4	33.8	48.5	19	51	79	8
Six Nations	2660	308	24.75	n/a	n/a	n/a	6	24.2	70	8
Curve Lake	2222	304	39.5	22.3	60	40.0	25	79.5	88	10
Mistassini	1853	331	39.4	0	62.3	10.7	39	84.8	97.5	1.25
Masset	1428	370	45.7	34.5	84.1	15.9	15	30	50	30
Dog Rib Rae	1546	273	3.4	66.2	24.0	0	43	88	10.7	
Port Simpson	2729	395	35.4	4.3	74.0	8.7	10	46.7	70	6.5
Kamloops	2037	214	40.3	8.0	40.0	50.3	19	33	78.5	10
Sarcee	1354	202	46.7	11.0	32.9	36.6	1.4	32.8	74.6	11.9
Fort William	2334	288	30.4	15.0	58.3	20.0	17.4	47.8	69.6	8.7
Williams Lake	1708	228		25.0	85.0	15.0	20.0	89	100.0	0
Moose Factory	2256	361		9.0	50.0	25.0	37	67.8	85.7	0
Fort Alexander	1992	279		14	72.7	20.4	56.6	78.0	88	3.2
River Desert	836		46.3	5.0	65.0	15.0	10.6	59.8	95	1.4
St. Mary s	1320	181	30.8	23.1	77.0	23.1	83.3	100.0	100	0
Attawapiskat	1400			3.6	75.7	6.3	70.6	98.5	100	0
Pointe Bleue	1800	290	23.2	65.0	80.0	19.1	38	77.4	87	2.6
Tobique	2050	193	20.0	30.4	98.0	2.0	74	85	94.6	2.7
Pekangikum	779	124		5.3	84.2	15.8	100	100	100	0
Shubenacadie	809	201	39.3	66.67	88.0	10.75	57.5	86.3	94.5	2.7
Oak River, Man	770	214		62.5	97.0	3.0	54.5	91	100	0
Rupert House	810	253		27.5	52.5	5.8	82	100	100	0
Cold Lake	1840			66.67	85.2	3.7	7.8	97	98.5	0
Fort St. John	931	186			100.0		100	100	100	0

TABLE I (continued)

Bands Ranked a/c Average Per Capita Real Income from Gainful Employment	Average Annual Earnings Per Worker \$	Average Monthly Earnings Per Worker \$	Partici- pation Ra te %	Duration of Employment of Employable Males Aged 16-64			Annual Incomes of Resident Households*			
				% Employed < 2 mos.	% Employed < 6 mos.	% Employed > 9 mos.	% < 1000	% < 2000	% < 3000	% > 4000
				Deer Lake, Ont,				40.35	87.0	11.7
The Pas	1283	194		9.3	32.4	49.0	51.9	85	98	0
James Smith	1143	173	23.1	50.8	80.0	13.3	55	82.3	95	3.4
Peguis	480	104	21.7	22.0	88.5	8.0	31.6	67	95.6	.88
Big Cove	734	105	35.3	42.0	80.0	10.3	37.5	92.2	95	1.5
Piapot				32.2	79.0		33	81	94	0

* Figures derived from Housing Survey, Indian Affairs Branch, Ottawa, January, 1965.

Certain discrepancies appear in the data presented in Tables A and B, I and II, above (as, for example, in the ranking of bands according to per capita income, or in average monthly or annual earnings, on the one hand, and in proportions of populations in various income groups as shown in the columns on the right side of the Table II, on the other). For instance, Walpole Island, while classed as one of the higher income bands, shows a higher proportion of households with annual incomes of less than \$3,000 and a smaller percentage with incomes of more than \$4,000, than a number of bands having a considerably lower per capita income. The main explanations for such apparent discrepancies are as follows:

- (1) The figures on per capita income and for average annual or monthly earnings per worker are derived from data in the Resources Questionnaire and other sources, and include, as noted earlier, an estimate of \$50 per month employed in trapping, fishing and farming to allow for produce for home consumption. The figures for "Annual Incomes of Resident Households" are derived from the Indian Affairs Branch's Housing Survey of 1965, and include only cash income.
- (2) The figures for "Resident Households" include all households in each of the band reserve communities listed. In many reserves a high proportion of households, and in some cases a majority, have no gainfully employed members, and depend almost entirely on government subsidy. The figures for annual average and monthly earnings, on the other hand, do not include such households, as they apply only to those individuals who are gainfully employed, at least part of the time during the year.
- (3) Among the higher income bands, as noted elsewhere, there are generally high proportions of non-resident members, and they usually have higher incomes than the residents, thus raising the average per capita income level for the band as a whole. The income classifications for households in Table II, on the other hand, include only resident households.

Occupational Distribution

The main reasons for the economically depressed and under-employed status of Indians in this sample seem readily apparent from their distribution by types of employment, as may be seen from Table A and Table 1. Almost one-half of 49.3 per cent of all the jobs they performed during 1964-65 were concentrated in their traditional fields of employment in primary, resource-based industries and occupations; namely, forestry, fishing, trapping, guiding, food gathering and handicrafts.¹ These are fields of employment that for various reasons yield inadequate incomes for most workers. They are highly seasonal by nature and a number of trends have tended to reduce employment opportunities rather sharply in recent years; rapid population increases that outstrip locally available resources in many areas, depletion of resources as a by-product of population growth, economic growth and industrialization; declining markets and low prices in some fields such as trapping; and technological changes that have reduced labour requirements per unit of output. Thus, employment in the traditional primary industries has been of comparatively short duration for the Indians studied in this survey, averaging hardly more than three months per annum, and low paid, averaging less than \$200 a month. As may be seen from Table A, while these fields provided almost one-half of all jobs, they accounted for Less than 30 per cent of all employment as measured by total man-months, and less than 18 per cent of all earnings.

More than a quarter of the jobs in this sample, 27.2 per cent, are in the unskilled and casual category; these are in addition to employment in the primary resource-based industries dealt with above. They provide only a slightly longer average duration of employment (5.2 months) and slightly higher average rates of pay (\$200 monthly). A sizable fraction -- and in some cases a majority -- of jobs performed by members of all the bands in the sample lies in this category.² This is especially true of the more urbanized bands located in the more southern sections of the country.

Only 14 per cent of the jobs in this sample fall in the skilled category. These include some types of work that pay high wage rates (as seen by the \$524 monthly average) but involve fairly protracted periods of unemployment, with an average of less than eight and one-half months of employment per annum. Nevertheless, these are the jobs of the higher average income group in the sample and while representing only 14 percent of all jobs, they account for 45.6 per cent or almost one-half of total earnings. The small minority of professional and clerical workers, while enjoying steadier employment, have generally lower average monthly rates of pay. Most of these are in the lower paid professions. such as teaching, nursing, social work, and a few salaried lawyers and doctors.

The minority of proprietors or self-employed, both farm and non-farm (outside of those engaged in forestry, fishing and trapping) appear to be largely in the marginal or sub-marginal category, to judge from the low average annual incomes of \$1,638 and \$2,632 respectively. (Note: In estimating the incomes of farm proprietors, as for Indians engaged in hunting, trapping and fishing, an arbitrary figure of \$50 monthly was added to the earnings reported for the months in which they were engaged in such activities, to allow for the value of produce devoted to household use rather than sold on the market.)

¹ The proportion of all Indians in Canada depending on these sources of employment is probably higher because, as noted before, the sample is weighted on the side of the more urbanized, developed, bands.

² As noted, the Resources Questionnaire listed wage jobs in only two broad categories; namely, "skilled" and "casual and unskilled", No provision was made for more-or-less regularly or continuously employed semi-skilled workers. In Tables A and I those workers employed for more than six months of the year, and at wage rates above \$300 a month, were put in the skilled category. These include such groups as loggers and sawmill workers in British Columbia, longshoremen, truck drivers in some areas, various types of factory and construction workers, and maintenance men.

Factors Conducive to Economic Backwardness

Among the bands across Canada, and among the thirty-five in the sample summarized in Tables A and B, and presented in more detail by bands in Tables I and II, there are wide variations in average earnings, in degrees of skill, in types of employment engaged in, in behaviour patterns of working, saving and spending, and other factors conducive to, or discouraging, economic development. A number of these differences among bands will be analysed at some length in the chapter that follows.

In view of this, it is obviously dangerous to indulge in sweeping generalizations applying to Indians as a whole in this country, in seeking to explain the depressed economic position of the majority, and their concentration in intermittent and low-income types of employment. There are, however, certain special forces that seem to apply in varying intensity, to virtually all Indians, and that tend to hold them back economically. A number of these have been analysed at some length in certain regional studies undertaken earlier¹ and various recent studies have brought to light additional ones.

For a large minority of Indians, of course, there are the obvious physical factors of distance and isolation from centres of job and income opportunities. This applies particularly across the whole northern wooded belt of the country, from Quebec to British Columbia. Most of these people are engaged mainly in trapping and fishing, and as noted earlier, average earnings in these activities are tending to decline due to rapid population growth resource depletion, inadequate or obsolete equipment and techniques, declining markets, low prices and other adverse trends. Meanwhile, new industries that offer sufficient alternative means of employment and income to Indians have failed to develop, as yet, in the northern region.

Another sizable group of the more economically depressed bands -- some of them more depressed and dependent, indeed, than in the northern belt -- are in predominantly agricultural areas, particularly in the Prairies. In some cases the population is too large to be maintained adequately on the land available to them, while in other cases there is ample land, but the band members have insufficient incentive, skill or capital to develop it adequately.

Here, too, there tends to be a lack of other types of industry to provide alternative employment.

Even where a band is located within an area that offers numerous employment opportunities, the factors of distance and isolation may still be operative. For a number of reasons discussed more fully below, Indians in some areas tend to be less mobile than Whites. more reluctant to leave their reserves permanently. or for extended periods of time for employment elsewhere. Unless a plant, a business or industrial centre is within commuting distance of a reserve or band community, therefore, the majority, for this and other reasons, fails to take advantage of the employment opportunities available.

As against these, there are numerous bands in which the distance and physical isolation are obviously not the dominant factors impeding economic development. These account in the aggregate for a large minority, if not the majority, of Indians in Canada. In many parts of the country Indian bands are on the outskirts of, or within reasonable commuting distance of, cities or towns that offer potentially unlimited job opportunities to Indians. Again, in recent years, new resource development projects, and accompanying new industries and towns, have developed close to hitherto isolated Indian communities.

Yet only a minority of Indians, as Tables A, B, I and II above bring out, have been able or willing to take advantage of such opportunities, to the extent of obtaining steady work or seasonal jobs at relatively high rates of pay, such as to provide annual incomes of \$3000 or more (the level which social workers and others tend to identify as a minimum level of decency for a household).

¹ Cf. H. Hawthorn, C Belshaw and S. Jamieson, The Indians of British Columbia (Toronto) 1957; S. Jamieson and H. Hawthorn, The Economic Future of Native Peoples in Northern Manitoba (Govt. of Manitoba, Winnipeg, 1962).

Here, obviously, the forces impeding the economic development of Indians are social, cultural or psychological rather than geographical, in nature. Again, it should be stressed that there are wide variations among Indian band communities as well as individuals -- and even among bands within the same localities, or adjoining the same cities and industrial centres, as well as among different regions across the country. One attempt is made in the next three chapters to isolate and analyse the main variables accounting for these widely differing rates of development among Indian bands in this category. But, to repeat, certain special factors appear to apply in varying degrees to all Indian communities across the country.

Among the more important of these are:

1. As Proprietors. A larger proportion of Indians than of Whites are, technically, self-employed proprietors in such fields as fishing, trapping, farming, logging and pulp wood cutting and, to a much lesser extent, manufacturing, retailing, transportation and local service industries. A small minority in some of these activities has achieved outstanding success, owning capital worth tens of thousands (even in a handful of cases, hundreds of thousands) of dollars, and earning five-figure incomes. The majority, however, as our figures and numerous other surveys have indicated, derives very limited and inadequate incomes from such activities -- less generally than can be earned by those employed at unskilled or semi-skilled labour in other industries. Numerous reasons have been offered: overcrowding and depletion in the primary resource-based industries, as noted, inefficient or obsolete techniques and equipment; inability or unwillingness to accumulate and maintain the capital needed for effective operations; lack of technical and business know-how; lack of initiative and enterprise; and so on.
2. As Employees. Indians in many cases face even greater difficulties in some respects in becoming established as wage or salary-earning employees when they do attempt to leave their traditional fields of employment in the primary resource-based industries. Among the more easily observed reasons for this are the following:
 - (a) Inadequate education and training to provide the knowledge, skills and techniques required in a large-scale, complex economy that is subject to rapid technological and other changes. Unemployment generally in Canada has been concentrated among those who have less than a full grade school, and to a lesser extent, high school, education. The majority of Indians are unskilled workers who lack such educational qualifications.
 - (b) Discrimination. Even where Indians have the necessary educational or skill qualifications for employment, they face widespread discrimination from potential fellow workers as well as from employers. Many firms follow a definite policy (informally or unofficially, where such policies are illegal in terms of provincial legislation) of refusing to hire Indians at all, or in token numbers at best. Such discrimination is not against Indians as Indians, in most cases; it has developed as a result of unfortunate experiences with or observations of them as workers which tend to build up an unfavourable stereotype. Awareness among Indians of these attitudes tends to evoke counteracting attitudes and behaviour patterns that reinforce and justify the Whites' judgment of them. And so on, in a vicious circle.

The unfavourable image of Indians, as workers or employees, is frequently expressed in such words or phrases as "shiftless", "irresponsible", "unreliable", or "lacking in drive", "careless with equipment", "spending their money foolishly", "they don't turn up on the job when they're supposed to", and "they quit without notice". Often these traits or behaviour patterns are attributed to drinking. The unfavourable generalizations are often qualified to some extent by favourable ones, such as: "they learn fast", "they'll work under conditions no White man would stand", "they'd be top workers in this line if they'd only stay with it", and the like.

Whites also tend to have an unfavourable image of Indians as residents or potential neighbours, and thus discriminate against them in the provision of housing and various services. Such discrimination may develop out of the living habits of some Indians - standards of dress, personal hygiene, comportment, housing and household management and child care.

These reactions are particularly apparent and important in small or medium-sized industrial or commercial centres near larger Indian reserves, and even more, in company towns or new company-controlled towns many of which have been built around the development of new resource-based industries (lumber, pulp and paper, mining and smelting) in areas hitherto predominantly Indian in population. Indians, in effect, are often frozen out of such communities by the attitudes and social pressures of the White residents. The companies that provide the payroll and economic base of such communities, and community officials under the pressure of local businessmen, may limit or exclude Indians as residents for fear that it might be difficult to attract and keep sufficient White residents and workers to assure continued growth of the industry and community.

In brief, then, many Indians even when they have the requisite skills, motivations and work habits, are prevented from getting remunerative wage employment because they are considered unacceptable in accessible centres of employment opportunity.

Cultural Factors

In general, the behaviour patterns of many Indians, and the attitudes and responses evoked among Whites prevent most Indians from participating and sharing effectively in the economic opportunities potentially available to them. Basic to these problems are the special and distinct culture or cultures of Indians, which diverge more or less sharply from those of most White communities. In general terms, culture is used here to refer to a fairly distinct complex of institutions, values, and ways of doing things. Indians have cultures that differ widely among themselves, but at the same time have in varying degrees some characteristics in common that distinguish them from most Whites. These common characteristics have developed in response to highly specialized relationships with White society at particular levels, and a special system of administration, in which Indians have been under the direct control and influence of government, churches, and special interests (notably the Hudson's Bay Company in numerous areas) to a far greater degree than has any other ethnic group.

It is at best difficult, if not impossible, to sort out and measure the degree to which each of these forces has shaped the character, values, attitudes and behaviour patterns of Indians in general or in particular communities. In general, however, they have the following results.

1. The Culture of the Reserve

- (a) Advanced industrial nations have achieved this status in large part only through a long period of education, indoctrination, training and conditioning of their people, to respond to motivations or goals that will induce them to put forth the effort, and submit to various disciplines, restrictions and hardships, of the kinds necessary to achieve substantial economic growth. Our modern economy is characterized by an elaborate structure of status and prestige positions, and a wealth of goods, services and activities that provide satisfaction or escape by way of compensations generated by the types of work that have to be done. The rewards offered require money, and people are motivated to work, to varying degrees, largely by the money to be earned.

To people of most non-industrial cultures, however, such rewards may be intangible or meaningless, and thus fail to provide effective incentives for participating more actively in the economy.

Related to this is the fact that in most non-industrial cultures, the standard of living of most groups remains relatively static at a customary near-subsistence level, and the class or status structure is commonly ascribed rather than achieved. There is little or no incentive for individuals in such societies to work harder or longer to acquire money and accumulate goods to attempt to achieve higher status. Hence the time-worn complaint, familiar to many colonial areas as well as among employers of Indians in Canada, that "if you pay them more they simply quit that much sooner, once they have all they need". (This is not infrequently offered as a justification for paying Indian workers lower rates than Whites, for doing the same kinds of jobs. The dissatisfaction generated among Indians by unequal treatment of this kind probably enhances rather than reduces their rate of turnover.)

- (c) Such societies are usually characterized by a close relationship of the individual to his family or kinship group and to his community and reserve. This relationship provides the individual with security in the social or emotional sense. It also provides him with a certain economic security in terms of a claim to at least a customary level of subsistence from family and kinsman. Individuals are reluctant to leave the community, and thus mobility to take advantage of outside job opportunities is inhibited, because prolonged absence in employment away from family and home village threatens to destroy such relationships and gives rise to anxiety and insecurity. This is often the governing factor that accounts for the failure of many Indians to "stay at the job" and their penchant to "quit without notice, for no apparent reason".

This security system may also have the effect in many cases of discouraging the accumulation of capital and the development of successful businesses, as well as dampening any ambition the individual may have for enhancing his income. For the reciprocal of the individual's claims against kinsmen are their claims against him, particularly when he has the ability or good fortune to earn a superior income. Such claims tend to reduce the standard of living of the higher income individual and his family, and the temporarily successful individual whose "family and kinsfolk move in on him and eat and drink him out of house and home" has become a widely quoted item in the folklore about Indians.

Generalizations of this kind, again, would have widely differing degrees of applicability among different Indian groups. Among those groups which have depended essentially on fishing and trapping, the levelling and inhibiting effects of the sharing tradition are presumably most pronounced. The mobility required in their way of life, and the necessity to travel light would tend to generate attitudes and motivations rather indifferent or hostile to the accumulation of large or expensive types of capital or consumer goods and services, or to long-term employment in particular jobs in particular locales. On the other hand, in some bands, particularly in those with cultures that accorded prestige to the accumulation of capital in one form or another, the economic position of the more enterprising or promising individual may be enhanced by cooperative effort and pooling of funds by kinsmen and friends.

- (d) There are often striking divergences between the evaluation of intrinsic job interest made by people of an advanced urban industrial culture on the one hand, and that made by a non-industrial culture on the other.

In modern urban industrial society, as noted before, many jobs lack intrinsic interest for the worker and thus other compensations are required to attract and hold him. Most White workers in our culture, where they have the choice, seem to prefer jobs that require inside rather than outside work; that are physically easy rather than hard, particularly if they are in the white collar rather than manual category; that are steady rather than intermittent; with big companies rather than with small; and in large cities rather than in isolated communities.

Job preferences among Indians seem to be quite opposite to these on a number of points. Indians show a marked preference for outdoor rather than indoor jobs; for men's work that has elements of excitement and risk, and opportunities for exhibiting prowess in competition with others; and for a variable rather than even pace of work, with period of peak physical effort followed by opportunities for rest and relaxation. Even when engaged in the same industries as Whites, Indians whether by choice or compulsion seem to avoid large cities or towns, and are employed mostly by small rather than large operators.

With most Indians, moreover, job interests and preferences are far less disassociated from other activities and interests than is the case with Whites. An Indian's preference for one type of job with a particular employer or in a particular location and his work habits on the job may be connected with such non-monetary attributes as seasonal layoffs that provide opportunities to engage in ceremonial activities and other social occasions of the band.

- (e) One of the most commonly observed differences between producers or workers in non-industrialized as compared with industrialized cultures lies in the rhythms of work. Life has meaning in many Indian communities in terms of a recurring cycle of inter-related economic, social and religious activities and this cycle is geared to the different seasons of the year. Members of the group work intensively and participate strenuously in certain related activities for weeks at a time during one season, and then turn to other types of work for relaxation during the next season. By contrast, in our modern economy, the seasonal cycle has been all but eliminated, except in such fields as sports and fashion. The round of activities, of work and relaxation, eating and resting is geared to the daily and weekly cycle rather than to the seasons. That, perhaps, is the feature of industrial life that many Indians find difficult to accept, regardless of the rewards in money or status, for it deprives life of meaning in terms of their traditions and values.
- (f) A strong desire for independent status is felt by many Indians and partially accounts for their extreme concentration in a few primary industries, and militates against their being integrated with the urban industrial economy in any large numbers. For in the primary industries it is still possible for individuals with little or no capital to make an independent living, although this is becoming more and more difficult, owing to increasing mechanization and the growing dominance of large-scale operations, on the one hand, and to depletion of resources and conservation measures on the other.

Self-employment offers a freedom to cease work and participate in other meaningful activities when the occasion demands, rather than be tied down to a rigid schedule which can be ignored by a hired employee only at the price of being dismissed.

Indians may be more uncomfortable working under the authority and supervision of a foreman than are Whites. Whites have been trained and indoctrinated to accept authority in business, industry, education and government, to make compromises and suffer indignities if necessary as a price for earning a livelihood and getting ahead. To Indians the exercise of authority by supervisors on the job may be unacceptable because it is regarded as illegitimate. Indian cultures have structures of status and authority which do not coincide with the division of labour in a complex economy of large-scale operations. Some of the high turnover of Indian workers in such fields as logging and sawmilling may represent sensitiveness to and dissatisfaction with the exercise of power and authority by supervisors to whom, in the Indian view, such prerogatives are not appropriate,

2. The System of Administration

The one factor that tends to be singled out more frequently than any other, in laying blame for the economic backwardness and underdevelopment of

most Indians in Canada, is the general system of administration under the Indian Affairs Branch.

In discussing this question, two or three important points should be kept in mind from the outset, to qualify most of the generalizations that follow:

First is the fact that most of the generalizations regarding economic status, and the characteristics and behaviour patterns attributed to Indians, as outlined above, are also applied widely to the Metis where these constitute recognizable, distinct groups of any significant size in a community. They, however, are the responsibility of provincial and/or municipal authorities, and do not come under the jurisdiction of the Indian Affairs Branch's system of administration. Therefore the special features of administration that are widely attributed as the generator of special Indian characteristics and behaviour patterns, cannot be held responsible for similar attributes of the Metis.

Secondly, it should be stressed that the special features of the Indian Affairs Branch's philosophy and system of administration, as discussed below, are today becoming a matter of past history. Probably no long established department or branch in the entire federal government has been undergoing such drastic changes in structure and personnel, in philosophy, policies and objectives as the Indian Affairs Branch has been experiencing over the past few years, in an effort to correct past limitations and carry out ambitious new programs on behalf of Canada's Indian population. However, most Indians now of working age were born and raised in reserves under the old system of administration which, in spite of a radically changed Branch philosophy, shows a remarkable tenacity of life in many agencies and in many reserves. The generalizations that follow, therefore, regarding the effects of this system upon attitudes, behaviour patterns and levels of economic performance of the adult Indian population of today are offered as still valid.

As so many critics have pointed out at one time or another, including many on the staff of the Indian Affairs Branch itself, the main emphasis of the Branch's policy in previous decades has been administration, as such, rather than development in the full sense of the term. The Branch has been, from the outset, in the position of "trustee" for Indians and the main objectives of the trusteeship until recently have been those of caretaking and protection. Up to World War II this consisted mainly of protecting property interests, while providing a minimum of subsistence, housing, health and welfare, education, and other services well below White standards. Since World War II the standards have been raised considerably and over the past decade particularly much greater emphasis has been put on education, economic development, and encouragement of Indians generally to achieve greater autonomy, independence, and responsibility for running their own affairs. The actual system as distinct from Branch policy remains, to a large extent, one of paternalism though every effort is now being made to decentralize and democratize it. The Indian Affairs Branch still exerts a degree of authority over Indians, particularly with regard to economic matters, far greater than any other government agency exerts over Whites. This exertion of authority tends to elicit from Indians attitudes of dependency, irresponsibility, apathy, submissiveness, and disguised hostility.

The relationship and the interactions it has tended to generate are seen most clearly at the level of the Agency Superintendent and the bands under his jurisdiction. This official, characteristically overworked and understaffed, is responsible for dispensing a wide variety of benefits and services of vital importance to the physical or material welfare of the Indians under his jurisdiction, and for keeping detailed records and submitting reports about a variety of matters. He must also deal with other Whites who deal with Indians (e.g. priests or ministers, storekeepers, nurses, teachers, officers of the law and other functionaries). Agency Superintendents may differ widely in ability and ideas, but the pressure of their duties forces virtually all of them to function in a primarily administrative rather than development role, and in an authoritarian rather than democratic and educative fashion.

In many of the more isolated, economically backward or under-developed reserves, as Dunning and others have noted, the White minority of functionaries has an unusual status and power, resting on outside authority in the dispensation

of services to the majority of dependent residents. They are in positions having a degree of authority which is quite different from any counterparts in White society, and this tends to generate a special set of attitudes and behaviour patterns on their part. Each member of this small White minority has a virtual monopoly in the dispensation of money goods and services on which Indians must depend for their livelihoods and welfare; the superintendent or his assistant in granting relief, housing grants or credits, liaison with other agencies, and the like; the Hudson's Bay Company factor as store manager (and sometimes one or two competitors) in supplying grubstakes or other forms of credit, buying produce and selling food, clothing and other necessities; the nursing station in providing health or , medical services, and referring cases to hospital for further treatment; the priest or pastor in administering to things of the spirit and interceding on the Indians' behalf with other authorities (as well as in putting restrictions on certain activities). Indians consequently tend to become structured in their attitudes to Whites in this sort of situation in ways which prevent their successful adjustment to and participation in White society.

The background and conditioning of this environment have tended to structure the relationships of Indians with Whites off the reserve as well, and to create an ambivalent attitude to authority that complicates labour-employer relations and makes it difficult for Indians to adjust successfully to regular wage or salaried employment. On the one hand, attitudes of dependence and passivity have tended in many cases to encourage the unscrupulous White employers (like some of their counterparts in fish and fur-buying, and in store-keeping) to exploit Indians. And on the other, such attitudes inhibit many Indians from verbally expressing their values or grievances to the employer, and actively fighting for their legitimate rights.¹

Many of the unfavourable behaviour patterns that White employers or fellow workers attribute to Indians, therefore, have arisen in part from the special attitudes and problems of communication generated by the special system of Indian-White relationships and administration under which most Indians have lived, These patterns are marked by apathy and apparent indolence, by high labour turnover (or "quitting for no apparent reason"), and sometimes by conscious or unconscious carelessness or sabotage of equipment, rather than by verbal, overt and organized union demands, grievances procedure, and spontaneous wildcat strikes.

Of course these generalizations do not hold in every case. Modifications have to be allowed for in particular situations. Some Indian bands have shown a high degree of initiative and willingness to assume responsibility, running their reserve communities with a minimum of dependence upon, or interference from, agency superintendents. Other Indian reserves are notoriously difficult to administer because the local minority of Whites are plagued with excessive demands on the part of their Indian clientele, backed up even by intimidation and actual or threatened violence. Again, while Indian workers usually express their job dissatisfactions by simply quitting without notice, occasionally they have engaged in strikes, protest marches and lobbying.

Another by-product of the past has been a certain rigidity in attitudes, as expressed in an inability or unwillingness to use initiative to meet immediately pressing -- and apparently easily soluble -- problems. This shows in the inefficient methods and techniques by which, in many or most communities, people utilize locally available resources for their own domestic purposes, as well as for sale in the market. This point is discussed at greater length below.

The reserve system is also a system of security that has tended in many cases to inhibit Indians from seeking, or keeping, outside wage or salaried employment. On their reserves, Indians can be assured at least of minimum subsistence from public subsidy, supplemented by what fish, game, fuelwood,

¹As an extreme example of this latter situation, one able and ambitious young Indian became ill from hepatitis and was unable to eat, much less work, properly for several days. His employer accused him of laziness and malingering, and he was fired from his job. He put up no verbal protest and left quietly. His case would not have become known if he had not arrived at the Indian Affairs Branch Office in a nearby town, in a state of serious illness, utter destitution and near starvation.

and other resources they are willing and able to garner for themselves. They are also assured of housing of some sort, education, nursing and, where necessary, medical and hospital treatment, and other essential services. Off the reserve they have had to shift pretty much for themselves in most cases or depend on agencies and officials with which they are unfamiliar.

The dependence of reserve Indians on a few White administrators for aid and prerequisites of various kinds perhaps enhances the tendency for the less fortunate majority to depend on the more fortunate kinsmen -- a tendency perhaps general among people dependent on public welfare. The whole concept of social welfare or social security in the broad sense, is in principle supposed to free the individual family or kinship group from the responsibility of assuming the entire burden of sustaining all of its members who are in need -- the young and dependent, aged and infirm, the sick, injured and unemployed, and so on. Presumably, then, more liberal and comprehensive social welfare or social security programs should reduce the burden of kinship claims on the individual.

In practice, however, in the actual administration of social security or welfare, until very recently, those with good jobs and income were expected to carry their less fortunate relatives, and the latter were denied public assistance. This tended to be the practice in the administration of Indian affairs, as in provincial and municipal welfare. It should be stressed, however, that the welfare policies of the Indian Affairs Branch and most other government agencies have been changed in this regard in recent years. The family is no longer held responsible for the maintenance of dependent relatives, so that the deterrent effects of welfare policy on individual economic incentives and development, as outlined below, should be much less operative in the future.

The results of inconsistencies or anomalies in mutual aid and social assistance policies in previous decades tended to have a more serious effect on Indians than on Whites because a far smaller proportion of the former have managed to become established in the more secure, well-paid types of employment, and a much larger proportion were and are in the low-income, dependent category. The result has been to perpetuate a sort of poverty cycle among Indians, and a wide gap in per capita income between Indians and Whites, even when employed at the same types of jobs and at the same rates of pay.

In the more isolated reserves where fish, game, fur and timber resources are insufficient to meet the needs of a rapidly expanding population, the anomalous situation often exists where the welfare cases (the aged, the sick, the mothers with numerous children) who have no relative earning enough to support them, receive more income in cash or kind than able-bodied male workers can earn from intermittent employment in the traditional resource-based industries, or from unemployment relief. The demoralizing effects of this situation are more than obvious. Cutting off relief to force people to work is obviously no solution. A solution may rather lie in encouraging and making possible the migration of increasing numbers into urban-industrial areas that offer increasing employment opportunities, and, for some, providing new techniques and equipment in resource-based industries that will provide incomes from work above those provided by relief.

But in this context, kin obligations tend to reduce the real income and standard of living of the individual worker and his family below that of his fellow workers, render him socially unacceptable in the industrial, urban community, and undermine or destroy any incentives he may have to stay on the job (with all its unaccustomed drudgery, discipline and monotony) much less to exert extra effort to get ahead.

The burdens of aid to kin and friends seem to underlie a multitude of problems in addition to those of employment and income alone. In some cases alcoholism is induced by the feelings of hopelessness and resignation -- nothing to work for or see ahead -- as well as a means of blunting the inter-personal conflicts and tensions that arise from overcrowding and friction with kin and others.

There is a similar background to the tendency of some Indian women to become slatternly. Some Indian wives and mothers, faced with unlimited

child-bearing and unlimited demands from kin for support, on bare subsistence incomes and with inadequate housing and facilities, simply give up. They have nothing to look forward to, to dress for, or to put up an appearance for. (Much of the opposition to employing Indians, or allowing them to reside in the community appears to be based mainly on the slatternly and demoralized appearance, living habits and behaviour patterns of their womenfolk.)

So, likewise, arises the violence that lies so close beneath the surface of the apparent passivity and resignation of Indians. One has only to observe the frequent verbal and physical brawls among men, and between men and women, in some towns, and the disproportionate number of arrests that Indians account for, even with permissive policy by law enforcement authorities.

Such generalizations are most applicable to the more geographically isolated Indian bands, particularly those in the northern belt that specialize in fishing and trapping and which have become increasingly dependent upon relief and various special services from outside. They would also apply to a special degree, perhaps, to Indian bands in rural areas lacking in opportunities for industrial employment, and which thus depend upon Branch subsidies and technical aid to carry on farming or ranching activities, supplemented by relief. The limitations of the reserve system, however, still seem to apply to a considerable degree to even the most urbanized bands, inhibiting them from participating fully in the urban industrial economy.

3. Contact and Relationships with White Society

The character, duration, and extent of contacts and relationships of Indians with White society varies widely, of course, as between the geographically isolated band whose members see only a handful of White functionaries the year round, on the one extreme, to the highly urbanized band whose reserve has become hardly more than an enclave or suburb of a large metropolitan community, on the other. As will be brought out in more detail later, the differences in relationships between Indians and Whites appear to be one of the most important variables determining differential rates of economic development among Indian communities. So here, again, sweeping generalizations can be misleading and dangerous. In the aggregate, however, it seems safe to conclude that the nature of the relationships, in the majority of cases, has been such as to reinforce the traits that are so inimical to the economic development of Indians.

Contact with White society, with a much richer diversity of goods and services than the tribal cultures could provide, did of course generate new demands among Indians -- new standards of living or consumer aspirations above the customary level-- that provided varying degrees of motivation to participate as workers and producers in the White-controlled economy.

From their first contact with Whites over a period of centuries, however, the pattern of participation has tended to be one of weakness in the bargaining power of Indians, and growing dependence on Whites. This developed first in trapping and fur trading where (except for brief periods of intense competition such as between the Hudson's Bay and North West Companies) the Indian trapper and his family became dependent on the fur trader as a local monopolist in buying the furs and providing equipment and other supplies (and, most important, credit or furnish to carry the family over the slack season). Frequently the relationship became one almost of bondage: the buyer would extend credit in order to obligate the Indian to produce and sell his furs exclusively to the creditor, while the debtor was induced to remain in debt to insure that he would always have a ready buyer of his produce. Suspicion among Indians of exploitation and cheating on the part of the Whites (well-founded in all too many cases) was and still is endemic in the relationship, in so far as the high costs and risks facing the fur buyer required him to pay the Indians far less than the final market price for their furs, and charge a high markup on goods sold to them.

Much the same sort of pattern of dependency has been characteristic of other primary, resource-based industries in which Indians have tended to concentrate: contract logging, pulp-wood and pole-cutting; clearing and brush cutting; fishing and fish canning and processing.

A long history of and experience with this type of relationship, coupled with the paternalism of the reserve system, has tended to structure the attitudes and relationships of Indians working for employers in other industries. This is even more likely because Indians, through discrimination and other disadvantages, are generally more limited in their choice of job opportunities and therefore in a weaker position of bargaining power than are other workers.

The other main element in White society with which Indians come into most frequent contact because of the occupations in which they tend to specialize, and the low and uncertain earnings they receive, are the generally low-income casual workers who depend on welfare or relief for a large part of their livelihoods.

As a number of studies have brought out, casual, low-income workers tend to develop distinct cultures with their own systems of ethics, scales of values, motivations and norms of behaviour as a process of adjustment to the social and economic environment in which they have to work and live. This type of subculture, or culture of poverty, is sharply at variance on many points with the more acceptable ways of life of steadily employed and better paid middle-class and working class groups.

The motivations and behaviour patterns of casual or underprivileged workers in urban-industrial society shed some light on the patterns of Indian work in modern industry. Superficially, indeed, the underprivileged White worker's sub-culture resembles life in many Indian communities more than it does that of the White middle or upper working class. The various barriers that prevent Indians from participating more fully and effectively in the economy tend to confine them to the ranks of the casual worker. The hardships and insecurities of the casual worker's life, the compensations which it provides, and the behaviour patterns it forms, all serve to reinforce the economic values of the reserve.

Conclusion and Summary

In seeking to explain the generally depressed position of Indians in Canada the main emphasis has been placed on social and cultural factors influencing motivations, attitudes and behaviour patterns. As brought out more fully in a later chapter, these appear to have been more important than objective physical and technical factors such as location, accessibility to resources and availability of capital.

Attention has been focussed on a few socio-cultural forces that have moulded the Indians; the reserve cultures, the system of administration, and the major points of contact with White society. These have been pictured as self-reinforcing, in ways that inhibit the Indians from adjusting to and participating in the larger economy effectively.

It would be misleading and erroneous, however, to leave the impression that those sets of influences have been at all times consistent and unilateral in character. The Indian Affairs Branch, for instance, on numerous occasions has supplied large amounts of capital and technical aid to various Indian bands and individuals in an effort to improve their economic status and enable them to become more independent. Its efforts have frequently been frustrated, however, by Indian apathy, suspicion and non-cooperation, and by internal conflicts within the Branch which such new experiments have tended to generate. On the other hand, as the statistics on employment and income in Tables A and B above indicate, a substantial fraction of almost one-quarter of all Indians in the sample surveyed have left their reserves while still retaining their band membership, while another, possibly larger number and proportion have left permanently and fitted into White society on various levels. Among band members generally, including some bands in which the vast majority continue to reside on the reserve, a significant and growing minority have come to terms effectively with White society and participate successfully in the urban industrial economy as steadily or regularly employed skilled and semi-skilled wage earners, clerical workers, self-employed proprietors and salaried professional personnel

CHAPTER V

COMPARATIVE ECONOMIC DEVELOPMENT AMONG VARIOUS INDIAN BANDS IN CANADA

Introduction

The broad survey in the preceding chapter of a representative sample of Indian bands across Canada brings out sharply the generally depressed economic status and serious under-employment and dependency among Indians in this country. It also brings out the fact, however, that a minority have achieved levels of income and occupational status above those enjoyed by the majority of Whites. Even within the confines of a broad survey of averages, it is evident that there are wide inequalities in wealth and income among individual Indians.

The explanations offered for the generally depressed economic position of Indians in Canada apply to all bands to some extent, in so far as they have all gone through somewhat similar experiences under an unique system of administration, and in so far as attitudes and relationships between Whites and Indians fall into certain characteristic patterns wherever the two groups are in continuous contact.

The intensity and impact of such forces vary widely, however, among communities in different areas. While all communities, as pointed out, share some common characteristics and experiences, at the same time it is true to say that each Indian band is an unique entity that differs more or less sharply from other Indian bands in several or many respects: size of population; resources; ownership of capital; types of work, average size of income; rates of unemployment and dependence on relief; religion; family size; education and skill; proximity to White communities of various sizes and types; quality of leadership; attitudes of Whites and Indians towards each other, and patterns of social interaction between them; administrative policy with regard to such matters as education, loans or grants of capital, and economic development generally; and so on.

A comparative cross-country survey of communities in this regard reaffirms the old principle that broad averages hide significant differences. This is apparent with regard to their comparative economic development. If, for reasons spelled out in Chapter II, per capita level of real income from gainful employment is accepted as the main index of economic development, then the differences between band communities are significantly wide. For, in the representative sample of thirty-five surveyed in the preceding chapter, the most highly developed band, Skidegate, in the Queen Charlotte Islands of Northern British Columbia, had a per capita income from gainful employment of about \$1,252, or more than twenty times that of Piapot, Saskatchewan, the least developed in the sample.

There are similar, even wider, extremes with regard to other indices of economic development, or lack of it. Dependence on welfare for varying periods during 1963 ranged from 100 per cent of all households in such bands as James Smith or Peguis and from \$192 per capita in Shubenecadie, to nothing, on both

counts, in Tyendinaga. Similarly, in the Sheshaht Band, 85 per cent of the employable males between the ages of sixteen and sixty-four had eleven to twelve months employment during the year, while in the James Smith Band more than one-half the males were employed for less than two months, and only 5 per cent worked eleven to twelve months in the same period.

There has been, as noted earlier, a vast body of literature since World War II dealing with the question of comparative levels among developing nations and peoples. Numerous hypotheses have been formulated, tested and applied (in the form of capital or technical aid programs, for instance) . Some of these hypotheses appear to have been disproved in some cases by failures at the operational level, while others appear to have been validated (to the extent that this is possible through follow-up research and concrete achievement in particular cases)

This research project is based on the assumption that native Indians in Canada - - while representing a special case differing in some important respects from that of developing countries in Asia, Africa or Latin America -- do have some features in common with these, and do offer a special opportunity (as something of a control group or laboratory sample) for testing the validity of various hypotheses that have been formulated at one time or another in attempting to explain the main variables that operate to encourage, or discourage, economic development. A comparative analysis of bands in the sample offers an unique opportunity for testing various beliefs and hypotheses. In terms of practical results, it should be capable of providing guidelines for achieving more effective developmental programs in the future.

The main hypotheses to be examined and tested where data are available and statistically measurable are outlined below. The statistical and other factual data drawn from the Resources Questionnaire of 1964-65 supplemented by other special reports and research studies provide the main sources. Somewhat arbitrarily perhaps, but for convenience in analysis, the main hypotheses to be examined are grouped under three broad headings, as follows:

Economic Factors Affecting Development

1. Ownership of, or access to, resources
2. Ownership of, or access to, capital
3. Social capital or infrastructure
4. Leavening effect of a professional and entrepreneurial middle class
5. Occupations, earnings and continuity of employment
6. Rates of population growth.

Socio-Economic Factors (Chapter VI)

1. Educational levels and attainments
2. Demonstration effect and proximity to urban centres
3. Mobility
4. Dependence on welfare.

Socio-Cultural Factors (Chapter VII)

1. Religious affiliation
2. Participation in Indian ceremonial activities or revivals
3. Kinship ties and obligations
4. Quality of leadership
5. Organized activity within the band
6. Participation in outside activities and organizations
7. Social and personal disorganization
8. Administrative policy.

The main purpose of this exercise is to measure and examine the degree to which the differential levels of economic development achieved by the members of the band communities are correlated to the economic, social and cultural variables listed above.

A couple of observations should be made at the outset. Some hypotheses based on certain variables in the above lie in the realm of popular myths or beliefs that have been attacked and discredited by social scientists in other

contexts. There still seems some value in testing them as applied to Indians, however, if only to invalidate them further where they continue to be held.

Again, some hypotheses, on the basis of a number of variable factors listed, would obviously apply at the extremes. It would seem obvious, for instance, that the six or eight highest income, most economically developed bands in the sample would generally (though not in each and every case) be in closer physical proximity to industries and jobs have larger accumulations of capital, ownership of or access to more resources higher levels of education, and be less dependent on welfare than would be the case with the six or eight lowest income, least developed bands, particularly where these latter are geographically isolated communities whose populations have outgrown the locally available resources on which they have depended for their livelihoods. The weight of the extreme cases, may, in a straight statistical test, show a fairly high degree of correlation, but it is questionable how much value this has.

The problems of the geographically isolated and depressed bands concern particularly those in the broad northern wooded belt of the country, which have depended upon fishing and trapping. They also include certain relatively isolated rural bands in the Prairie region, and in cutover areas of the Maritimes. All of these face the problem of inadequate resources available locally, coupled with distance from potentially alternative job opportunities. In the aggregate, these comprise a minority of the Indians in Canada, but a rapidly growing minority. They constitute a special problem in Indian Affairs, of a kind that calls for special policies and programs on their behalf.

More interesting and important in some respects are comparisons among the majority of Indian band communities which are broadly classed as in the middle position of transitional, and comparisons between these and the minority of relatively developed bands. For among these, several widely accepted hypotheses break down, and numerous variable factors often thought to be crucial for economic development fail to show any significant correlation with levels of per capita real income. Numerous Indian band that are lacking in some types of assets generally deemed favourable to economic development have been compensated by others.

Economic Factors Affecting Development

The most over-simplified hypotheses of poverty and under-development among various nations and peoples have been those formulated on the basis of pure economic analysis. Policies based on such analyses have frequently proven to be expensive failures, because of failing to take account of social or cultural variables that may be crucial to the economic development of a people.

Basic to pure economic analysis is one assumption applied more or less universally to all peoples and cultures, namely, scarcity in relation to wants.. People, it is assumed, naturally desire to have more goods and services than are currently available to them regardless of their ethnic or cultural backgrounds, their current standards of living or per capita real income levels. The only essential limitations to their economic growth, their getting more, are the means available; i.e. the availability of resources, capital, techniques and job opportunities, relative to population growth.

The basic problem facing developing peoples is seen as a self-perpetuating poverty cycle. Due to a shortage of resources relative to population, or a shortage of capital or poor techniques that prevent them utilizing their resources effectively, they live on inadequate subsistence incomes. Because of low per capita incomes they are forced to consume most or all that they produce or earn. This renders them unable to save and accumulate the capital that would be required to increase their productivity and raise their levels of income. Advanced, high income peoples or nations by contrast, enjoy a reverse and built-in trend of dynamic expansion, whereby high incomes make possible large savings, and capital formation and training in new technologies to assure further growth in per capita income in the future.

The transition from one stage to the other, therefore, would require first the provision of capital, technical aid and advice by loan or gift to

increase productivity without having to reduce the already inadequate levels of consumption and social or welfare services; and second, with higher incomes derived from the use of capital and technical aid, larger saving and capital accumulation to take place to the point that economic development and rising per capita income can become a self-sustaining process of increased saving, capital investment, technological know-how, output and income.

1. Ownership or Availability of Resources

The most widely accepted cause of the poverty that afflicts the majority of nations today is that of population outrunning available resources. On the other hand, some of the highest income, most economically developed nations are notably poor in resources relative to population (e.g. Great Britain, Japan, Holland and Switzerland), while some of the lowest per capita income countries have large and diverse resources (e.g. Indonesia and the Congo). Obviously, then, the economic development of a nation does not depend primarily on the ownership or availability of resources as such, but rather on such factors as the possession of capital and techniques, and a social and political structure that enables a people to utilize resources effectively, or, where resources are unavailable, to utilize the talents of its human resources to process and produce other goods and services in exchange.

Band communities in various important respects are hardly comparable with nations because of their much smaller size, less diversified skills, and greater dependence on outside markets. As small enclaves in a highly developed economy, they have potentially unlimited access to capital and technical knowledge. On the other hand, their restricted links to White society limits their acquisition of capital, technical knowledge and know-how and leaves them far more dependent on resource-based industries for their livelihoods, as the survey in the preceding chapter brings out. One would expect, therefore, that ownership or availability of resources would play a major role in determining the relative degree of economic development and per capita income positions achieved by most band communities. Mainly on this assumption, the Indian Affairs Branch, in its economic development policies, has tended in the past to lay major stress in planning and personnel and in providing capital and technical aid, upon local resource development projects for Indian band communities. This emphasis may also have been, and perhaps still is, encouraged by considerations of administrative convenience. The structure of the Indian Affairs Branch has been based essentially on the reserve as the basic administrative unit, and developmental or other activities beyond the reserve area involve complicated relationships with provincial and local governmental agencies, as well as a variety of private interests. For reasons that will be spelled out more fully later such a policy appears to have been misguided on several counts if aimed solely at economic goals.

It is difficult, at best, to devise any adequately measurable index of resource ownership or availability to determine to what extent local resources do account for economic development, and for differences in per capita real income among bands. First, it is difficult to get accurate estimates of the potential employment and income-producing capacity of any given type, or area, of resources. Tracts of improved crop land or unimproved range land vary widely in fertility and yield, and in distance from markets; woodlands and timber stands likewise differ in quality of timber and number of board feet per acre; similarly, waterfront acreage on rivers, lakes and seashore in their attractiveness as potential tourist sites; arid, of major importance to many bands, the potentialities of reserve land for business or industrial sites if adequate transportation, electrical power, water and other facilities were provided (as noted before, the Indian Affairs Branch's Resources Questionnaire was not concerned with this latter type of resource).

Certain general observations can be made safely, however.

Reserve Resources

First, very few Indian bands derive any large part of their livelihoods in gainful employment from the direct utilization of resources within band-owned reserves. There are several reasons for this:

- (1) Most reserves originally were laid out and designed mainly for residential purposes, on the temporary meeting-grounds or campsites of mobile bands that derived their livelihoods from resources over a fairly wide area beyond reserve boundaries. This is particularly true of the numerous mobile bands across the northern wooded belt, whose members depended on hunting and fishing; it is true of the numerous more sedentary bands along the coastline of British Columbia for similar reasons,
- (2) Most bands that were originally assigned relatively large reserves with sizable tracts of agricultural land or timber stands, have since grown in population beyond the level that the resources could sustain, even if the resources were utilized with maximum efficiency.
- (3) Those bands which do have more than enough resources in their reserves (in agricultural land, timber, oil or minerals, and tourist business or industrial sites) sell or lease the major part of these to outside interests rather than develop them directly. The proceeds usually go into band funds or band revenues, which contribute towards welfare and other services of the community, and part of which are sometimes distributed as cash dividends to the band members.

For these reasons, there appears to be little, if any, correlation between resource ownership and economic development of Indian bands, as measured by per capita real income from gainful employment. Some of the most economically depressed bands in the sample under study have relatively large amounts of land suitable for raising crops or livestock. Notable in this category are the Piapot and the James Smith Bands, As may be seen from Table III below (comprising sixteen bands in the sample of thirty-five that are deemed to have some potentialities for internal development in agriculture and forestry) the James Smith Band has, on a per capita basis, 28 acres of improved crop land, 4 acres of range land and 8.75 acres of woodland, while Piapot has 10.45, 15.4 and 3.24 acres in these respective categories. These holdings are considerably above the average for the bands listed in the Table, particularly in the more productive category, that of improved crop land. Yet, in a ranking of thirty-five bands according to per capita income levels, James Smith comes thirty-first and Piapot thirty-fifth. The reason for this is, mainly, that these land holdings are too small to sustain the population on the basis of the large-scale farming operations required for optimum efficiency, while alternative employment opportunities are lacking in these areas of Saskatchewan.

Even those few bands which have more than enough resources to sustain the population at a reasonably high level of employment and income are far from being the most economically developed. The outstanding example is the Sarcee Band adjoining the City of Calgary. This band, with a population of 368, has on its reserve no less than 11,631 acres or 31.6 acres per capita of improved agricultural land, and 55,361 acres of unimproved land, Of these latter, 14,014 acres or about thirty-eight per capita are in rangeland and 25,887 acres are in woodland, of which 15 per cent or about 11-1/4 acres per capita are being logged commercially. It is estimated that potential crop-land in the reserve amounts to 18,000 acres, or about fifty per capita, and potential hay and grazing land almost 22,000 acres or fifty-nine per capita. In sum, then, land actually or potentially productive in terms of agriculture and forestry amounts to some 300 acres per capita or 1,475 acres per household. Added to these assets are revenues from oil leases that amount to more than \$100,000 per annum and that have built up a band fund of more than one million dollars,

Yet with these assets, the Sarcee Band can be considered, at best, as only moderately developed, or relatively under-developed. In terms of per capita real income from gainful employment, it ranks seventeenth out of the thirty-five bands in the sample,

In contrast to such examples as these, several of the most economically developed, highest income bands have no or virtually no, workable or marketable resources within their reserve boundaries. Notable examples are Lorette, Skidegate and Sheshaht. In a couple of other high income bands, notably

TABLE III
AGRICULTURAL AND WOODED LAND PER CAPITA

Band	SIXTEEN SELECTED BANDS		
	Improved Crop Land (Acres Per Capita)	Unimproved Land Range	Woodland (Acres Per Capita)
Walpole Island	6.24		1.5
Tyendinaga	2.96	.87	.64
Six Nations	1.34	.28	2.35
Kamloops	1.67	71.87	28.67
Williams Lake	.51	7.72	5.67
River Desert	1.13	.45	45.35
St. Mary's	3.27	90.57	8.07
Pointe Bleue	.59	-	-
Oak River	6.1	2.12	-
Cold Lake	2.1	14.2	24.0
The Pas	1.24	2.33	7.77
James Smith	28.0	4.0	8.75
Peguis	.4	13.9	24.4
Piapot	10.45	15.4	3.24
Sarcee	31.6	38.0	70.0
Sampson	9.6	6.0	5.4

Caughnawaga and Squamish, the main resource (apart from the human factor) is land leased for business or industrial purposes.

Even in those relatively well-developed, high-income bands that do have sizable natural resources within their reserves (notably Walpole Island, Tyendinaga and Six Nations, all in Ontario) the resources account for only a minor part of the members' incomes from gainful employment, and the average earnings of those employed directly in utilizing the resources are considerably below those engaged in other types of employment. This is made evident in Table IV below, which includes the same list of bands as in the preceding table. In the highest income bands, it may readily be seen, farm proprietors comprise only a small fraction of the labour force, and their earnings are considerably below the general average. The same is true of most of the other bands in the sample, including the land-rich Sarcee described above. Of the five bands in which farm proprietors did receive higher average earnings than the total labour force, four, namely Oak River and Peguis, Manitoba and James Smith and Piapot, Saskatchewan, are, as noted before, in predominantly agricultural areas lacking in alternative opportunities for employment. And, as noted, they are among the lowest-income, most depressed and dependent Indian band communities in the country.

One obvious explanation for the relatively small proportion of farmers in the labour force, and their relatively low average earnings in those bands having more or less substantial agricultural potentialities lies in the disinterest of Indians in farming, and their generally small-scale, inefficient methods. Related to this is the fact that in most cases Indian bands tend to lease out more land than they cultivate themselves. Of the total improved cropland held by the sixteen bands listed in Tables III and IV, only 34.7 per cent or hardly more than one-third is farmed by band members themselves, while almost two-thirds is leased to non-Indians. In the case of the Sarcee Band in particular, 82 per cent of the cropland, and 90 per cent of the woodland (15 per cent logged commercially and the remainder used for grazing) is leased to non-Indians.

The Resources Questionnaire asked superintendents to indicate "reasons for the lack of development of resources available to Indians". With regard to agricultural resources, in the representative sample of forty bands for

which the data are available the answers given were as follows, ranked by frequency:

Reasons	Number
Attitudes of (reserve) residents	(18)
Attractiveness of wage employment	(16)
Educational level of Indians	(15)
Lack of vocational training	(12)
Lack of funds	(12)
Lack of guidance	(7)
Land tenure system	(7)
Other	
Trust fund and oil revenue distributions	(2)
Lack of initiative	(1)
Mismanagement of earnings	(1)

Resources Available Outside the Reserves

With regard to natural resources, those outside of reserves and to a varying degree accessible or available to band members are far more important than those within their reserves. In the nature of the case they are also less measurable in quantity, quality and economic impact in different Indian band communities.

Here the picture is fully as variable as resource ownership but, again, there appears to be little, if any, consistent correlation between resource availability and per capita real income from gainful employment among the Indian bands under study. At the one extreme are the most economically depressed bands as noted before: those in the northern wooded belt who have depended hitherto on fishing and trapping, but whose populations have outrun the resources available, or whose resources have become depleted. Outstanding examples are Oxford House and Shammattawa in Northern Manitoba, and Big Cove in New Brunswick. Equally depressed and dependent, however, have been such bands as Hay Lake in Northwestern Alberta which has, however, just begun to receive important revenues from oil, and full employment has just been achieved. While among members of this latter and many other northern bands incomes from hunting, fishing and trapping have sharply declined, their community is within easy access of potentially fertile and productive farmland and timber stands which, for various reasons, they have left virtually untouched. (This was the case until recently of the Hay Lake Band in Northwestern Alberta, for instance. See special report by B. Baich, Indian Affairs Branch Community Development Officer for Northern Alberta.)

At the other extreme, among the highest-income, most economically developed bands are some located within access of resources which they specialize in exploiting, whether as wage-earning employees or as self-employed proprietors. Outstanding among these are three Indian bands in British Columbia; Nimpkish, whose members specialize in fishing supplemented by logging; Skidegate, the majority of whose members have shifted from fishing to logging; and Sheshaht, specializing in logging. On the other hand, a number of bands in British Columbia appear to be equally well located as are these three, with regard to accessibility to income and employment-producing resources, yet their per capita incomes are far lower.

One conclusion seems obvious from all this. The levels of economic development and per capita incomes achieved by Indian bands are determined, not so much by their ownership of or accessibility to resources, as by the band members' attributes of skill, technique, know-how and motivation in exploiting whatever resources or opportunities are available in the labour market. This seems borne out in Table VI below, in which the agency superintendents attribute reasons for the failure of Indians in forty representative bands to develop various types of resources available to them. The most frequent reasons, as noted, are (1) the educational levels of Indians and (2) their attitudes.

Finally, to repeat, among the highest income and most highly developed Indian bands are some that own or have access to virtually no natural resources

TABLE IV

COMPARISON OF AVERAGE ANNUAL INCOMES OF FARM PROPRIETORS
AND TOTAL LABOUR FORCE IN SIXTEEN SELECTED BANDS

Per Capita	Band	Popula- tion	<u>Farm Proprietors*</u>		<u>All Workers</u>		
			Income from Gain- ful Employment	Number	Average Annual Earnings	Number	Average Annual Earnings
	Walpole Is.	1422	\$715	25	\$2750	240	\$2961
	Tyendinaga	2033	516	34	1250	150	2500
	Six Nations	7736	350	39	1760	1765	1983
	Kamloops	314	314	8	1512	46	2037
	Sarcee	368	302	34	1331	82	1354
	Williams Lake	198	291	4	2600	2000	1570
	River Desert	878	250	25	150	1000	1836
	St. Mary's	175	249	3	750	25	1300
	Pointe Bleue	1376	222	2	340	145	1586
	Oak River	706	176	31	2526	158	770
	Cold Lake	703	165	18	826	22	1545
	The Pas	839	140	4	450	83	1283
	James Smith	800	126	12	1517	65	1140
	Peguis	1800	99	27	1800	192	480
	Piapot	506	55	35	1103	76	318
	Sampson	1431		136	445	215	530

C Average annual earnings of farm proprietors in this table include an allowance of \$50 monthly for the months employed in farming, as an arbitrary estimate of value of home consumption for the households involved. In many cases, perhaps the majority, this may lead to an over-estimate of the real incomes of Indian farm proprietors.

suitable for primary production -- notably, Caughnawaga and Lorette. Their main resources are human ones of the skills, techniques and motivation needed to sell their labour effectively in the market. The only non-human resource that they have is land that is actually or potentially employment and revenue-producing for business or industrial purposes (and Lorette, with a total area of fifty-seven acres, of which only one is used for industrial purposes, has little even of that). Possession of such industrial or business land in itself does not necessarily make a major contribution to the economic development of an Indian community. Presumably it may do so in three main ways:

- (a) It may stimulate some band members to undertake business enterprises or undertake new kinds of work;
- (b) An influx of non-Indian business firms may provide a demonstration effect that influences consumer aspirations and work habits favourably among the residents; or
- (c) As in Kamloops, for instance, land leases to non-Indian business firms can be used as a lever for providing new jobs for residents.

Considering the increasingly important role that business and industrial leases are playing in the economics of numerous Indian band communities, it might well indeed have been included in the item in the Resources Questionnaire on which the data in Table VI below are based.

2. Ownership or Availability of Capital

As outlined earlier, shortages or unavailability of capital are frequently offered as an explanation for the economic under-development of nations

TABLE VI
ATTRIBUTED REASONS FOR LACK OF DEVELOPMENT OF RESOURCES
AVAILABLE TO INDIANS

	Agriculture	Forestry	Fishing	Trapping	Tourism	Total
1. Educational level of Indians	15	8	6	6	16	52
2. Lack of vocational training	12	11	6	1	12	42
3. Lack of guidance	7	10	7	5	12	42
4. Attractiveness of wage employment	16	4	8	11	2	41
5. Land tenure system	7	-	-	-	3	10
6. Lack of funds	12	8	8	4	10	42
7. Attitude of residents	18	11	5	12	5	51
8. Other						
a. Distribution of oil cheques and band revenues	2	1	1	1	3	8
b. Lack of initiative						
c. Mismanagement of earnings	1	1	1			3

or regions. Low levels of income prevent the accumulation of capital, and lack of capital prevents the developing of resources or the exploiting of market opportunities to raise incomes.

Among Indian bands of widely varying income levels, there does not appear to be any more consistent relationship between ownership or availability of capital and level of economic development, than there is with ownership of or accessibility to resources. Indeed, there is a fairly close functional relationship between capital and resources which are, in a sense, interchangeable factors of production. By and large, the bands which own the largest value of resources, per capita, likewise have the largest amount of capital, per capita, acquired through the sale or lease of resources to outside interests. Similarly, for reasons discussed more fully later, those bands whose members depend for their livelihoods primarily upon the exploitation of natural resources within or accessible to their reserves tend to accumulate more revenue-producing capital than those which specialize in wage or salaried employment.

In the broad sense, looking at the extreme cases, there is some relationship between ownership, control or availability of capital and degree or level of economic development -- as there is with control over or accessibility to resources, as described above~ Certainly, the poorest and least developed Indian bands are those which have no band funds; whose individual members are unable to save, accumulate and invest capital profitably; and whose qualifications and ability to borrow capital from outside sources are most limited. At the other extreme are those bands which have large band funds and revenues and, because of their favourable position with regard to wealth and income potentials, are in a favourable position to raise capital from outside sources for specific projects.

Between these extremes, however, as the figures below bring out, there appears to be at most a very limited correlation between ownership, control, or availability of capital, and level of economic development achieved (as measured by average per capita real income derived from gainful employment).

The main revenue-producing capital owned by, or available to Indians for investment in revenue-producing undertakings, may be listed as follows:

- (a) Band funds
- (b) Band revenues
- (c) Band-owned equipment
- (d) Individual savings and real capital
- (e) Capital aid or grants from the Indian Affairs Branch
- (f) Repayable loans, from the Indian Affairs Branch
- (g) Repayable loans or credit from other outside agencies (banks, finance companies, equipment dealers or suppliers, etc.)

The main questions, or hypotheses that call for testing and verification (or otherwise) from the evidence at hand are:

- (a) Do Indian bands whose members enjoy a relatively high per capita income tend to save, accumulate and invest larger amounts of capital than do low income bands? If such is the case, to what extent have these higher income bands actually invested their capital in ways that contribute to their further economic development and higher income?
- (b) Similar questions could be applied to Indian bands which have large band funds and revenues, due to the good fortune of owning or controlling sizable amounts of valuable collateral for sale or lease.
- (c) What evidence, if any, is there to indicate that the availability of capital from the Indian Affairs Branch (in the form of capital aid; i.e. outright grants, or repayable loans) has contributed directly to economic advancement and higher per capita income?
- (d) What special difficulties, if any, do Indians face in raising capital from other sources, and to what extent have these impeded their economic development?

Fortunately, in attempting to test such hypotheses, the Resources Questionnaire and other sources provide much fuller and more accurate data concerning capital than is the case for resources. And most of such data are amenable to quantifying and testing statistically, as shown in Table VII below. This tabulates, on a per capita basis, band funds, band revenues, and value of revenue-producing equipment and livestock that are band-owned, individually-owned and Branch owned, respectively, in each of 35 Indian bands selected from the representative sample discussed earlier, ranked in order from highest to lowest income. From these figures, coefficients of correlation¹ have been derived, to determine the degree of relationship, if any, between each of these sources of capital and their totals with levels of per capita income from gainful employment. As may be seen at a glance from the table, the correlations are slight and, in the case of Branch-owned equipment, inverse.

(a) Band Funds

The coefficient of correlation between band funds per capita and economic development (as measured by per capita real income from gainful employment) is only .075, which is so small as to amount to a random distribution. The extremes stand out in inverse correlation. As with ownership of resources, the Sarcee Band in Alberta has by far the largest funds per capita, at \$2,191. In terms of per capita income from employment, however, the former is 14th out of the 35 bands. At the other extreme, Sheshaht Band in B.C. which ranks third in per capita income, has negligible band funds. Or, as another measure, 85.4 per cent of workers in Sarcee earned less than \$2,000 per annum in 1964 as compared to 0 per cent in Sheshaht whose funds are minimal. Similar patterns are apparent, on a less extreme scale, among numerous other bands in the upper and lower ranges of the income scale.

¹ The coefficient of correlation measures the degree to which two sets of data (a dependent variable and an independent variable -- in this case, per capita real incomes of the various bands in the sample) move together in a direct, straight line relationship.

TABLE VII
 POTENTIALLY REVENUE-PRODUCING CAPITAL OWNED BY OR AVAILABLE TO INDIANS
 (Amounts per capita in each of thirty-five bands)

Band	Income	Band Funds	Band Revenues Per Annum	Buildings, Equipment & Livestock Estimated Value			Total
				Band-owned	bd. Indians	I.A.B.-owned	
Skidegate	\$1252	\$104.3	\$ 77.00	\$ 35.4	\$442	\$ 0	\$ 658.7
Caughnawaga	793	58.13	5.00	0	82.00	0	145.0
Walpole island	715	298.70	141.00	100.0	46.3	0	486
Sheshaht, V.1,	664	nil	0	47.8	14.8	0	62
Lorette	630	1	0	0	20.9	0	22
Squamish	630	258.6	183	0	24.0	0	464
Tyendinaga	516	21.0	11	1	38.7	8	80
Curve Lake	350	124	18	0	43.1	0	185
Six Nations	350	100	13	2	70.4	0	185
Mistassini	341	0	0	9	268.0	40	317
Dog Rib Rae	332	0	0	0	107.4	0	107.4
Port Simpson	325	46.5	26	8	80.0	0	80.0
Kamloops	314	739.15	266	42	138.3	6	1191
Sarcee	302	2190.10	625	116	462.8	0	3395
Fort William	298	183.9	39	0	11.3	0	234
Williams Lake	291	107.0	73	74	181.0	22	457
Moose Factory	284	1	0	0	70.3	74	145
River Desert	250	126	18	1	90.0	0	235
Attawapiskat	247	0	0	0	66.4	0	66
St. Mary*s	249	203.9	40	0	35.1	0	279
Pointe Bleue	222	0	0	2	103.2	3	108
Tobique	215	87.8	11	0	6.7	0	106
Fond du Lac	200	0	0	0	62.1	11	73
Pikangikum	197	2.7	6	0	66.6	15	101
Shubanacadie	180	16.5	42	0	65.2	4	127

TABLE VII (Continued)

POTENTIALLY REVENUE-PRODUCING CAPITAL OWNED BY OR AVAILABLE TO INDIANS
(Amounts per capita in each of thirty-five bands)

Band	Income	Band Funds	Band Revenues Per Annum	Buildings, Equipment & Livestock Estimated Value			Total
				Band-owned	bd. Indians	I.A.B.-owned	
Oak River	\$176	\$ 49.0	\$ 17	\$0	\$187.5	9	\$262
Rupert House	174	0	0	16	51	0	67
Cold Lake	165	12.6	6	6	123.1	24	172
Fort St. John	161	354.6	45	32.2	30.8	25	488
Deer Lake	156	0	0	0	37	23	60
The Pas	140	109.0	24	38	46	1	218
James Smith	126	51.6	21	0	74.9	9	157
Peguis	99	18.5	4	0	159.7	25	208
Big Cove	61	1	0	0	18.6	0	21
Piapot	55	75	24	7	158	19	283
Coefficient of Cor. with Per Capita Income		.075	.128	.25	.27	- .25	.029

One obvious, but only partial, explanation (for reasons developed later) for this lack of correlation is that band funds, as a source of capital, have been used to only a small extent in investments that yield income from gainful employment to band members. The major part of them has been invested in government bonds and to a lesser extent, in social capital or welfare projects on reserves (e.g., council houses, residential housing, various public works or local improvements). There are, of course, individual exceptions that show fruitful results; for example, Kamloops, while of moderately low income, has shown rapid development in recent years, partly through using its band funds for developmental purposes.

(b) Band Revenues

Band revenues show a similar pattern of distribution to that of band funds, of course, as they are derived largely from the latter, and they show a similarly low degree of correlation (.128) with levels of per capita income. Strictly speaking, of course, band revenues are a category of income rather than of capital. But, as a source of income over and above earnings from employment or other sources, they represent a potential source of capital accumulation and economic development. Like band funds, however, the revenues accruing to Indian bands have been used to only a limited extent for employment or revenue-producing purposes for the members. They have been used rather for such purposes as welfare or relief, repair and maintenance of social capital, and the like. In practice, as often as not, the availability of sizable annual revenues available for cash distribution to band members has acted as a deterrent to, or a substitute for, gainful employment. As noted earlier, the Superintendents of both the Sarcee and Sampson Agencies listed such cash distributions as one factor deterring the members of these communities from making full use of the resources owned by or available to them.

(c) Band-owned Equipment

This item, in the aggregate, is of relatively minor consequence. The only bands with large amounts of such capital are those with large band funds, and generally the same observations would apply.

(d) Individual Savings and Real Capital

It is a basic tenet of economic theory that the "propensity to save" rises more than proportionately to increases in income. The higher the income, generally, the higher the proportion, as well as the amount, of income that is saved in one form or another. On the basis of this principle, one would expect a high positive correlation between income levels and individual accumulations of capital among different Indian bands across the country.

There is no way of knowing the magnitude of savings by individual Indians in the form of bank accounts, cash hoards, equities in insurance policies and the like. Nor is there any reliable means for finding the sum total of their personal indebtedness to creditors of various kinds, such as private fur, fish or lumber buyers, retailers of equipment and supplies, etc. One general impression is that the majority in most communities have very small, if any, personal savings, and are continually in debt to creditors of one kind or another.

One measurable index of private capital accumulation is the ownership of revenue-producing buildings, equipment, supplies and livestock. With regard to this category of capital, again, there appears to be little, if any, positive correlation between average income levels and ownership of real capital. This is evident in the figures shown in Table VII and the coefficient of only .27.¹

Again, there appears to be a fairly simple explanation for this lack of correlation. The Indian bands enjoying the highest average per capita real incomes are, as noted earlier, those which have a high proportion of their

¹ As noted earlier, the inventory of capital equipment in the Resources Questionnaire covered only the four resource industries of farming, fishing, hunting and trapping, and logging. Unfortunately, it did not include the value of buildings, equipment and supplies of Indian-owned business and industrial enterprises.

members working in relatively well-paid wage or salaried jobs on the outside. Such are, for instance, the Caughnawaga in Quebec and the Skidegate and Squamish in British Columbia. Two of these groups have little incentive to save and accumulate capital for income or revenue-producing purposes, for the larger metropolitan communities in which they reside already provide most of the goods and services they require more efficiently, and at lower cost, than they could produce for themselves. Their surplus incomes above subsistence, therefore, tend to be invested in automobiles, television sets, household appliances and other types of consumer capital, or spent on relatively expensive types of services and recreational activities. (Members of the Caughnawaga Band, for instance, appear to own two or three times the number of automobiles, per capita, owned by most other Indians in Canada, Considering the mobile conditions which their employment in high steel construction requires, perhaps automobiles should be considered as income-producing capital, like the tractor for the farmer, the boat for the fisherman, or the snowmobile for the trapper.)

The Indian bands whose members have accumulated the largest amounts of revenue-producing capital per capita, by contrast, are those in which a large proportion of the members have specialized in the function of individual proprietors who derive their livelihood from local resources (particularly farming) rather than outside wage employment. The traditional, and over crowded, resource-based industries (farming, trapping and fishing particularly) generally offer lower rates of pay -- especially for independent proprietors or workers on contract -- than do the more efficiently organized urban industries hiring workers by the hour -- and the former generally require the investment of several hundreds of dollars in equipment and supplies to boot!

There are notable exceptions to this broad picture. There are a few bands in the high average income category, in which a minority of successful proprietors have accumulated relatively large amounts of capital which have enabled them to operate efficiently and profitably, on a large scale. Notable among these are Nimpkish, on Vancouver island, in which several residents own purse-seining vessels valued at \$50,000 or more, and frequently earn five-figure incomes from fishing; the Okanagan Band in British Columbia in which a few own herds of cattle valued in the tens of thousands of dollars; and Lorette, Quebec, in which one family owns a factory valued in the hundreds of thousands, and several proprietors own capital in the tens of thousands.

(e) Capital Aid or Grants from the Indian Affairs Branch

Most capital investments or grants in band communities made by the Indian Affairs Branch have been for social capital and public works of various kinds, rather than directly for employment and revenue-producing purposes. The policy has been, generally, to give a higher priority for such capital aid to low income, under-developed bands, while those with larger band funds and revenues are expected to look after most, or all, of their own undertakings. Thus, as may be seen from Table VII, there is a generally negative correlation between per capita income and Branch-owned facilities or equipment per capita.

(f) Repayable Loans Available from the Indian Affairs Branch

The main source of capital made available to Indians by the Branch for revenue-producing purposes is the so called Revolving Fund, as laid down in Section 69 of the Indian Act. It is designed to make loans available to Indians on favourable terms, because of special difficulties they face in raising credit from outside sources. Such loans are generally limited to a maximum of \$10,000 to any one individual or group, are repayable within five years and are designed for the purchase of movable equipment or livestock (as distinct from real estate or fixed assets).

A study of the economic position of Indians in British Columbia undertaken in 1954-55 indicated that the Fund, having an upper limit of \$350,000 in total loans outstanding, was insufficient. The demand for loans exceeded the funds available, and numerous individual projects that appeared to be worthwhile and potentially revenue-producing had to be abandoned or deferred by 1964, when the present study was begun. The maximum available from the Fund had been raised to \$1,000,000, and in recent years the total loans outstanding to qualified applicants fell far short of this. The picture has changed rapidly, again, during the past two years; by 1966 the maximum total

had been raised to \$1.5 million, and the demand for loans again exceeded capacity.

Again, there appears to be little or no direct correlation between the availability of such credit, or the degree to which it has been used, on the one hand, and the level of economic development achieved, on the other. The reason is broadly the same as outlined earlier. The main demand for Revolving Fund loans comes from small scale working proprietors or self-employed in such fields as farming, logging, trapping and fishing, and to a much lesser extent, small business and service establishments. These are generally in the low, marginal, or, at best, medium income category. Among the highest income bands, on the other hand, where a high proportion of the members work outside of the reserve for wages, the demand for Revolving Fund loans is minimal or nonexistent.

(g) Repayable Loans or Credit from Other Outside Agencies

While there does not appear to be any serious shortage of short-term or intermediate capital in the form of small or medium-sized loans available to Indians, they do face certain special difficulties in getting long-term capital for larger fixed investments (e.g. stores, industrial plants, large logging or sawmilling operations, large fishing boats and buildings and equipment for large scale farming). Their most obvious limitation in this regard appears to lie in their inability to use their land or buildings for collateral to raise mortgage capital, because of restrictions on the alienation of reserve land or fixed assets.

Indians appear to meet similar difficulties in getting large amounts of short-term or intermediate credit from other outside sources (e.g. banks, finance companies, equipment dealers, and the like) for meeting short-term needs with regard to such items as payrolls and restocking of inventories, repairs and replacements, etc. In part this arises from the stereotype held by Whites of Indians as being irresponsible and careless with money and equipment and the like. Perhaps more important is the fact that very few Indians (and few Whites for that matter) have the training, experience, know-how and contacts to be able to operate among all the intricate channels and deals involved in raising capital in the complex maze of money and credit facilities that characterize the modern business world.

Most credit that Indians raise for employment-and revenue-producing purposes, outside of the Indian Affairs Branch, as noted earlier, comes from individuals or firms engaged in the buying, selling and processing of resources such as fish canneries or processing plants, fur traders, log buyers and the like. Characteristically, the buyer grubstakes and equips the Indian producer on credit, usually on the understanding that the latter will sell his output exclusively to the creditor. While this arrangement probably has enabled many Indians to acquire the means to make a livelihood in the basic resource industries, which they might not have been able to do otherwise, the system tends to have two singular disadvantages: it tends to perpetuate a relationship of paternalism and dependency between Whites and Indians, and it tends to limit the mobility of Indians, and perpetuate overcrowding and inadequate income in the traditional resource industries.

In general, the limited role that capital has played in the economic development of Indians lies in their lack of business experience, know-how and motivation, and weaknesses in their position in competition with experienced and established non-Indian operators, rather than difficulties in their raising capital. By and large, the Indian reserves which offer the greatest potentialities for business or industrial development are also those which already have large band funds and revenues, for the reason that they generally occupy land that is strategically situated and valuable. Band funds and other Indian owned capital have been used to only a limited extent for business or industrial development. A major part of such development on reserves appears to have been done by outside interests leasing land and other resources from Indian bands. To an increasing extent this appears to be the prevailing trend in agricultural development as well.

Again, there are notable exceptions. A few Indian-owned and managed enterprises in scattered bands across the country have achieved considerable

success and magnitude. They would seem to merit a special study in themselves, not only to examine the special character and circumstances of Indians who become successful entrepreneurs, but also to examine how they raised the capital to finance their operations.

3. Social Capital and Infrastructure

Many writers and experts in the field of economic development maintain that people in a nation, region or community will not develop economically --that is, individuals will not be stimulated to save and invest capital for developmental purposes -- until there is a sufficient infrastructure of road, railway, or water transportation, electrical power, running water and other facilities required for the efficient harvesting, transporting, processing and marketing of resources; the provision of adequate living conditions for people, and facilities for transporting them to and from their jobs; and other such needs.

The development of such facilities, or their availability to Indians depends on four sources in roughly the following order of importance:

- (a) Indian Affairs Branch
- (b) Other government agencies: federal, provincial or municipal
- (c) Band funds, where available
- (d) Private business firms in certain fields (e.g. automotive transportation)

By its nature, it is impossible to get accurate and quantified measurement of the comparative role that social capital or infrastructure plays in contributing to the economic development of different band communities across the country. At the extremes, of course, the picture seems clear; on the one hand, there are the isolated, under-developed bands in the north, having minimum facilities; and on the other, the high-income, developed bands lying in or near large urban communities and benefiting from an already well developed infrastructure.

Again, it would seem a safe assumption that the economic and social backwardness of Indians generally in Canada, as compared to Whites, rests at least partly on the fact that, because of their geographic or social isolation, they have had less access to and use of a variety of public facilities besides those of formal education and health. These are a necessary part of the everyday conditioning of most individuals in fitting them to function efficiently in the complex society of today.

It would be difficult, however, to establish any direct connection between capital expenditures by the Indian Affairs Branch for social capital in different bands, and their degree of economic development, because such expenditures tend to be proportionately larger in the poorer bands, whose members are unable to pay for such facilities from their own income and resources. The bands that are best provided with such facilities appear to be those with large band funds, and most of these, as noted, are also located close to, or with good access to, large metropolitan centers or flourishing industrial communities, for instance, the Lorette, Walpole Island and Squamish Bands. But even among bands that appear to have equally good infrastructure there are wide variations in the degree to which Indians utilize their resources effectively for economic development, and/or take full advantage of job opportunities in the outside labour market.

Perhaps the more important impact of infrastructure development on Indian band members, in the long run, may be its effect on their work incentives rather than on their willingness to save and invest capital and develop resources owned by or available to them. Electrification of homes and farms, and the construction of good roads and highways in or near Indian villages, would tend to generate increased demand for automobiles and other vehicles, electrical appliances and other expensive types of consumer capital. This, in turn, should be expected to instil stronger incentives to seek, and get, steady well-paid employment outside of the reserve.

TABLE VIII

DURABLE CONSUMER GOODS: PERCENTAGES OF HOUSEHOLDS IN THIRTY-FIVE SAMPLE BANDS
WITH BASIC HOME FACILITIES AND AUTOMOBILES

Band	Per Capita Income	Indoor Toilets % h.h.	Baths % h.h.	Telephone % h.h.	Automobiles % h.h.	Electricity %h.h.
Skidegate	\$1252	74	83	55.5	54	100
Caughnawaga	793	33	33	33	88.5	92
Walpole Is.	715	13	13	43	33	56
Sheshaht, V.I.	664	80	80	45	25	86
Lorette	630	100	100	100	17.5	100
Squamish	630	75	99	21	36	100
Tyendinaga	516	2	2	35	81	73.5
Curve Lake	350	11.2	2.0	18	66	95
Six Nations	350	4.5	4.5	31	68.5	72
Mistassini	341	2.5	2.5	2.5	7.3	2.5 (1 house hold out of 41)
Dog Rib Rae	332	0	0	0	0	0
Port Simpson	325	21	88	0	1.0	87
Kamloops	314	3	3	11	25.5	100
Sarcee	302	6	6	23	48.0	0
Fort William	298	2	2	11	42.5	82
Williams Lake	291	3.3	3.3	10	8.0	100
Moose Factory	284	1.6	1.6	45	33	4
River Desert	250	7	5	35	30.0	41
Attawapiskat	247	0	0	32	14	0
St. Mary*s	249	n/a	n/a	n/a	10	0
Pointe Bleue	222	20	12.7	51	22.5	70
Tobique	215	33	28	10	34.6	98
Fond du Lac	200	0	0	0	0	0
Pikarigikum	197	0	0	0	12.3	0
Shubenacadie	180	6	4	10	30.1	0
Oak River	176	0	0	2	72.1	33
Rupert House	174	0	0	0	0	1.2

TABLE VIII (continued)

Band	Per Capita Income	Indoor Toilets % h.h.	Baths % h.h.	Telephone % h.h.	Automobiles % h.h.	Electricity % h.h.
Cold Lake	165	1.7	1.7	1.7	13	1.7 (2 house holds)
Fort St. John	161	0	0	0	0	0
DeerLake	156	0	0	0	7	0
The Pas	140	0	0	8	9	7
James Smith	126	0	0	2	14	2
Peguis	99	1	1	0	12.5	40
Big Cove	61	4	4	4	38.6	40
Piapot	55	0	0	0	46	2
Coefficient of Correlation with Per Capita Income		.72	.67	.64	.40	.55

Limited evidence in this connection seems to indicate that there is some such effect. Table VIII, with a sample of bands ranked according to per capita income, lists the percentage of houses with electricity, telephones, baths and indoor toilets, and the ratio of automobiles to population (measured in terms of numbers of households per automobile) for each band. The first four items show a high or significant degree of correlation with income, with coefficients of .55, .72, .65 and .72 respectively. The majority of bands lack electricity and the housing facilities listed, while all of the eight most developed bands, with the exception of Sheshaht, a logging community on Vancouver Island, are relatively well supplied with such facilities. The role of automobiles is less significant as an index and shows no significant degree of correlation because many bands, some of which are relatively well developed, lack adequate roads or highways and depend primarily upon transportation by boat, plane or snowmobile.

Even on this point, however, the relationship is far from consistent. To use the example of the Sarcee Band again, it is exceptionally well endowed in natural resources and in capital, and adjoins the rapidly expanding city of Calgary. Apart from electrical power, it has itself, and has further access to, a far better infrastructure than the vast majority of bands. Yet, in terms of per capita income from gainful employment, it is far less developed than numerous other bands that are far less endowed in this respect.

Close physical proximity of a community to a well developed city or town does not in itself, of course, mean that the band members are endowed with, or have access to, a good infrastructure. For the residents of many a reserve on the outskirts of a city or town, poor roads and lack of cars or other means of transportation, coupled with the attitudes of most urban White residents, may create a degree of isolation as effective as if the reserve were located a hundred miles distant. And, in many cases, such reserves are as lacking in good roads, electricity, running water, sewers or other such facilities as are the more rural and geographically isolated communities.

This may be one factor that helps to account for the very different degrees of development achieved by two or more Indian bands which in virtually all other respects seem comparable. An example of this are the Squamish and Musqueam Bands in Greater Vancouver. Both bands have a similar earlier cultural background and the same religious affiliations, and are located in suburban areas about equally distant "as the crow flies" from the business centre of the city. But, where Squamish is ranked as one of the more high income, developed bands, Musqueam is relatively depressed, with most of the labour force in the casual unskilled category and a high rate of dependency on relief. However, the Squamish Band is located in the midst of a mixed industrial-commercial-residential area in North Vancouver, with a high proportion of its residents located along main highways and streets, close to White neighbours, industrial plants and shopping centres. Most of the residents of Musqueam, by contrast, are located in a large tract on the extreme southwestern edge of the city, along the flats where the North Arm of the Fraser River empties into the Gulf of Georgia. This community adjoins a broad high class middle and upper-income residential area, which separates most Musqueam residents from easy access to business or industrial establishments. There are only one or two roads that provide any sort of physical connection of the reserve with the city, while roads within the reserve were, in 1964, poor. In effect, the physical barriers in the way of transportation and communication, even over a limited distance of one or two miles, create a degree of social isolation that has helped to keep the Musqueam community underdeveloped.

It is in such situations as this that the creation of an effective infrastructure can, under propitious circumstances, achieve spectacular results in economic development. The Kamloops Band is an outstanding example. Ten years ago it was a relatively depressed, low-income band, most of whose members were casually employed at farm or ranch labour and dependent upon revenues from land and timber leases, supplemented by relief, for a large or major part of their livelihood. Subsequently the Band Council, with the assistance of the Indian Affairs Branch and of outside planning consultants, had a tract of reserve land zoned and developed for lease to outside interests for business or industrial purposes. Several dozen new plants have been established on the reserve, providing a major new source of employment and income for band members. In a number of other communities, by arrangement with the Band

Councils, city boundaries have been extended to include tracts of reserve land and roads, water mains, sewers, fire protection and other city facilities and services have been provided. In a number of such cases, the additional revenue from industrial or business leases has more than compensated for the additional taxes and other charges involved.

About all one can conclude from these numerous examples is that an adequate infrastructure is a vital and necessary part of any developmental program for Indian band communities, but it is not sufficient by itself.

4. Professional and Entrepreneurial Middle Class

One feature common to poor and under-developed nations or regions is the relatively small percentage of the population that comprises middle class professionals and businessmen. A number of authorities express the view that such groups are crucial to economic development, for two main reasons:

- (a) To provide the enterprise and assume the risks of accumulating and investing capital in job-and income-producing enterprises;
- (b) To provide a demonstration effect, or leavening effect, in raising the level of aspirations of others in the community, thereby motivating them to become more industrious and productive workers.

With regard to the various Indian bands in the representative sample being studied in this Report, it would be difficult to demonstrate that any such leavening effect is operative. For one thing, as may be seen from Table IX below, the number of bands with any professional workers at all among their members is very limited. Only four bands in the sample of thirty-five are in this category. Two of them, Lorette and Six Nations, are in the high and medium income category respectively, while two others, Sarcee and River Desert, are, at best, in the moderately developed class. This perhaps understates the case, however, in so far as an unknown number of Indians from various bands who have achieved a professional status have left their home reserves permanently and forsaken their band membership.

In any case, it seems likely that the small numbers of native Indian professional workers probably have very little leavening effect on their fellow band members, for two main reasons:

- (a) The majority of professional workers, to engage in their practice, reside and work in cities and towns where they are physically separated from the reserve communities.
- (b) Attainment of a professional status requires, in most cases, long hours over a period of years, of study and hard work at relatively low rates of pay. Indian professional workers, particularly those who are visible to their fellow band members, tend to be concentrated in the ranks of those professions that are in the lower paid categories, such as teaching, nursing and social work, and, in a handful of cases, salaried lawyers and doctors. These latter, lacking perhaps the most valuable contacts or connections, and perhaps also unsophisticated in the ways of the Establishment, are usually in the lower income ranks of their professions. In general, as the broad survey in the preceding chapter brought out, among Indians, professional workers, while more regularly employed and having higher annual incomes than skilled workers, have lower average monthly earnings. To many Indians, therefore, valuing both leisure and short-run gains in money or kind, the rewards of professional careers probably appear intangible, if not absent.

The picture is far less clear with regard to self-employed non-farm proprietors, who could be put, broadly, in the business class. The difficulty with defining this occupational category -- in the Resources Questionnaire as in the Dominion Census -- is that it covers such a wide range as to be virtually meaningless. Among the bands sampled, as in the figures in Table IX, it ranges from individuals who barely eke out a living from small confectioneries, carrying a few hundred dollars of stock, or small logging or construction contractors

TABLE IX

PERCENTAGE OF WORKERS IN PROFESSIONAL POSITIONS AND INDEPENDENT NON-FARM PROPRIETORSHIPS, IN EACH OF THIRTY-FIVE SAMPLE BANDS

Band	Per Capita Income	Professional Workers	Non-Farm Proprietors
Skidegate	\$1252		3.24
Caughnawaga	793		3.0
Walpole Island	715		35
Sheshaht	664		
Lorette	630	2.0	19.5
Squamish	630		1.7
Tyendinaga	516		4.6
Six Nations	350	8.2	4.7
Curve Lake	350		
Mistassini	341		
Dog Rib Rae	332		
Port Simpson	325		5,5
Kamloops	314		
Sarcee	302		
Fort William	298		
Williams Lake	291		
Moose Factory	284		
River Desert	250	2.5	3,7
Attawapiskat	247		
St. Mary's	249		3.3
Pointe Bleue	222		8.1
Tobique	215		
Fond du Lac	200		
Pikangikum	197		
Shubenacadie	180		9.1
Oak River	176		8.7
Rupert House	174		
Cold Lake	165		
Fort St. John	161		
Deer Lake	156		
The Pas	140		13.50*
James Smith	126		
Peguis	99		1.4
Big Cove	61		8.5
Piapot	55		6.0

*The figure for The Pas was inflated by the inclusion, in the item in the Resources Questionnaire, of a number of self-employed pulpwood cutters working on contracts or shares.

with a few fellow band members working on shares, to the owners of large fishing vessels and industrial establishments valued in the tens or hundreds of thousands of dollars. (Unfortunately, as noted before, the Resources Questionnaire did not provide any inventory of types and values of buildings, equipment and materials of Indian-owned business or industrial enterprises.)

By a strict statistical test, there does not appear to be a significant correlation between economic development and percentage of the labour force in independent non-farm proprietorships. As another, but rough, index, however, seven out of the eight most highly developed bands have some independent business or industrial proprietors (and Lorette has the significantly high percentage of 19.5) while only eleven out of the remaining twenty-seven bands are in this category. These figures probably understate the degree of correlation, for virtually all of the relatively large proprietorships including those which employ others for wages or salaries, are in the eight most developed bands.

On the other hand, two of the highest income bands have virtually no business proprietorships -- notably, Squamish, with only 1.7 per cent of the labour force, and Sheshaht, with none at all. A number of other bands in British Columbia, including several in the northern coastal region, have higher proportions of business and professional men in their ranks even though having lower per capita real incomes. One important factor, perhaps, is that their relative isolation from main White population centres offers an incentive to some individuals to provide some goods or services to their fellow band members for a profit, while having some protection against White competition. In contrast to these, while the relatively high incomes and sizable band funds and revenues of the Squamish Band could, in isolation, support a large number and variety of business and professional services, these have not, in fact, developed. The main reason appears to be the accessibility to (and therefore competition from) business and professional services easily available in the surrounding urban community. Consequently, Squamish Band-owned land for business and industrial enterprises has been leased to outside interests, rather than used by band members to develop business and professional services for themselves or the surrounding White community.

This pattern of specialization is probably typical of a number of bands, particularly where they comprise a relatively small population that specializes in wage-earning jobs in nearby towns or industrial centres,

5. Occupations, Earnings and Continuity of Employment

The evidence available from the sample study shows very limited -- and in some cases, inverse -- correlation of the comparative levels of per capita income with some of the most widely accepted economic determinants of economic development; namely, ownership or availability of resources and of capital, infrastructure, and development of a professional and business minority in the community.

The only basically economic determinants that do show a high positive correlation, as brought out below, are those concerning: (a) the occupations or industries in which the members of different bands are employed; (b) their comparative rates of pay; and (c) their duration or continuity of employment. The results are modified by two demographic factors, namely --

- (1) differences in age structure among the band population; and
- (2) the participation rate; that is, the percentage of persons of working age who are gainfully employed.

As noted earlier, a band whose workers earn a relatively large annual income, may have relatively low per capita real income from gainful employment, because of a low participation rate of its adults in the labour force, and/or a high proportion of dependent children and old people in its population. Thus, for instance, Lorette, whose workers average only \$2048 per annum, or less than one-half the \$4400 received by workers in Sheshaht, has only a slightly lower per capita real income from gainful employment because it has a high participation rate of 51.3 per cent as compared to 34.7 per cent for Sheshaht, while the percentages of the band populations under sixteen years of age are 32.8 per cent and 51.7 per cent respectively. Or, again, the low participation rate in Caughnawaga of only 25.6 per cent is counterbalanced by the unusually high level of average earnings per worker, and the low percentage of the population under sixteen years of age, of only 32.1 per cent (incidentally, the lowest known percentage of any Indian band in Canada).

For various reasons that will be discussed later, there appears to be a fairly high degree of inverse correlation between economic development or per capita real incomes of bands, and percentages of band populations under sixteen, but very little, if any, with participation rates. The main economic determinants of average per capita real income, to repeat, are those of occupations, rates of pay, and duration of employment.

The role of occupations seems clearly apparent from Table X below, As could be surmised from the broad survey in Chapter III, and from the discussion of resource ownership or availability above, there is generally an inverse correlation between average per capita real income of a band and the percentage

of the population engaged in resource-based industries. Only a small proportion of the labour forces in the eight most economically developed bands are engaged in the resource-based fields of farming, farm labour, forestry, fishing, trapping, guiding, food gathering and handicrafts, while in most of the lower income or under-developed bands a majority of the labour force is engaged in two or more of these fields.

One or two exceptions to this general pattern require some explanation. With regard to forestry, in the broad sense of the term, a majority of workers in the Skidegate and Sheshaht Bands and a significant minority in the Squamish Band are employed in logging. However, logging on the Coastal areas of British Columbia, involving as it does the use of large and complicated machinery requiring considerable skill in varying degrees to handle the unusually large size of logs, is so different from forestry operations in the rest of the country as to constitute a distinct industry in itself. Its workers are predominantly skilled and, to a lesser extent, semi-skilled, and most of them have been classed accordingly in Table X. (As noted earlier, the Resources Questionnaire has no provision for the semi-skilled category. Loggers in British Columbia, as well as other skilled or semi-skilled workers whose incomes were less than \$2000 per annum, or \$300 per month, were placed in the casual, unskilled category in the Table.)

Similar observations would apply to fishing in British Columbia, as represented in the Skidegate, Masset and Port Simpson Bands, as compared to fishing in other provinces.

As may be seen from Table K, the highest degrees of correlation between economic development or per capita real income of bands and percentage of workers in various occupations lies in skilled work (.79). The lack of any significant correlation in the case of casual unskilled labour is explained by the fact that, as in the case of non-farm proprietorships as discussed earlier, the data included in this classification in the Resources Questionnaire cover such a wide range as to render any meaningful relationship impossible to measure. Such widely different groups as intermittently employed longshoremen, construction workers and factory workers earning \$2.50 to \$3.50 an hour, or \$300 to \$400 monthly, in Quebec, Ontario or British Columbia, are sufficiently different from Indians doing odd farm jobs in the Southern Prairies or the Maritimes for 60¢ to \$1 or \$100 to \$150 a month, as to constitute separate and distinct occupations.

This is illustrated in Table XI below, from data collected in a nationwide welfare and housing survey by the Indian Affairs Branch in 1963. For the twenty-five Indian bands covered, that are part of the sample being studied in this Report, it is evident that labour in the more developed bands -- including those which have sizable amounts of farmland or other resources on their reserves -- the main sources of income and employment lie in such fields as construction, longshoring, logging (in British Columbia), factories or industrial establishments and offices, while in the low-income bands they are largely related to the lower income resource-based industries. (In this connection it is interesting to note that the correlation between per capita income and percentage of band members in farm proprietorships, while too small to be of any significance, is negative at -.25.)

The close relationships between economic development, rates of pay and duration of employment are readily apparent from the figures in Table XII below. There is a high correlation of bands ranked according to per capita real income with ranking according to the following variables shown in the Table: average annual earnings (.61), monthly rates of pay (.77), average months of employment per job per annum (.63), months of employment per worker per annum (.60), and percentage of employable males aged sixteen to sixty-four employed more than nine months during the year (.72), or inversely, percentage employed less than six months (- .76)

There is also a high degree of multiple correlation among these variables. That is to say, a relatively large proportion of people in the more developed bands are employed at relatively steady jobs and these, by and large, are better paid (in terms of average hourly or monthly rates) than are the odd jobs of short duration that characterize the employment pattern of the lower income, less developed bands. Hence workers in the former category enjoy average annual

earnings several times higher than those in the latter. At the extremes, the ratio between Skidegate and Peguis is almost 10:1 (i.e. \$4640 to \$480 -- see Table I, Chapter IV). Indeed, the difference between the extremes is probably higher than this in view of the fact, as noted in Chapter III, that per capita real incomes in the more developed bands, such as Skidegate, are probably under estimated.

TABLE X

PERCENTAGE DISTRIBUTION OF LABOUR FORCE BY INDUSTRY AND OCCUPATION, IN THIRTY-FIVE SAMPLE BANDS

	Per Capita Income	Forestry	Fishing	Trapping	Guiding	Handi- crafts	Food Gathering	Farm Labour	Casual & Unskilled	Skilled	Clerical	Profes- sional	Farm Proprie- tors	Non-Farm Proprie- tors
Skidegate	\$1252		21.6			4.9				70.3				3.2
Caughnawaga	793								6.5	83.6	8.5			3.0
Walpole Is.	715		2.9	3.8	3	6.5			55.4	8	8.1		8.7	3.5
Sheshaht	664		.8				2		24.8	72.3				
Lorette	630			3.4	14				32.3	18.5	10.1	2		19.5
Squamish	630		1.5			2.1			62.6	28.3	1.7			1.7
Tyendinaga	516								24.5	36.5	12		17.5	4.6
Six Nations	350						13.1		33.8	25.3	2	8.2	7	4.7
Curve Lake	350			8.0	6.8	8.1	10.2		30.6	28.5				8.1
Mistassini	385	8.1	2.9	54.3	2.3				27.6	2.3	1.4			0
Dog Rib Rae	332	8	12.3	42.5		4			28.6		4			
Port Simpson	325		30	2.1					36.4	24.6				5.5
Kamloops	314	7.2						5	51.8	8.6	1.4		11.5	
Sarcee	302					10.7		17.8	21.4	10.7	6.9		23.5	
Fort William	298	31.7							40.1	16.9	8.4			
Williams Lake	291	13.3					26.6		23.9	10.6			25.7	
Moose Factory	284	6.1		12.3					48	24.6	4.9			
River Desert	250	53.4		6.2	15.4	2.7			5.6	5.1	6.2	2.5	2.6	3.7
Attawapiskat	247													
St. Mary s	249	55.8				3.3	4.2	6.2	22.5	1.2				3.3
Pointe Bleue	222	3.3		5.0	5.6				40.1	14.7	20.3			8.1
Tobique	215	10.3				11.0	12.9		41.2	16.5	8.2			
Fond du Lac	200		4.3	56.9					28.7	4.2				
Pikangikum	197	6.8		19.8	57.4				13.5					
Shubenacadie	180	8.8				22.7	15.1		26.5	6.0				9.1
Oak River	176				8.9			8.7	31.2	10.4			32.3	8.7
Rupert House	175	7.8			62.3	10.4			5.2					
Cold Lake	165	25.5	2.8	2.8			16.7	5.5	10	3.2			18.7	

TABLE X (CONTINUED)

	Per Capita Income	Forestry	Fishing	Trapping	Guiding	Handi- crafts	Food Gathering	Farm Labour	Casual & Unskilled	Skilled	Clerical	Profes- sional	Farm Proprie- tors	Non-Farm Proprie- tors
Fort St. John	\$ 161													
Deer Lake	156		18.7	56.6			3.1		15.5	1.8	1.8			
The Pas	140	3.4			4.8		5.6		58.2	4.8	4.8	2.4	13.5	
James Smith	126				15.1				29.2		5.2	26.8		
Peguis	99	13.7	6.8						18.3	5.6	13.7	37.0	1.4	
Big Cove	61	23.6					25.5	28.3	5.7		8.5			8.5
Piapot	55	11							54.7	4.6		23.3	6.0	
Coefficient of Correlation with Per Capita Income									.002	.79	.05		-.25	.06

TABLE XI

EMPLOYMENT OPPORTUNITIES AND SEASONAL UNEMPLOYMENT

(Representative Sample of Thirty-Five Indian Bands)

Band	Per Capita Income	Employment Opportunities Locally Available in Order of Importance	Critical Months of Seasonal Idle Capacity
Skidegate		Logging, fishing, seal hunting, trapping, construction, mining.	
Caughnawaga	\$793	Structural steelwork, factory work, office work, work on stone quarries, tree surgery, golf clubs, and also other work common to a small town.	March, April, May, December, January, February.
Walpole Is.	715	Industry, agriculture, construction, fishing and guiding, domestic.	December, January, February.
Sheshaht	664	Logging, sawmills, pulp mills, longshoring	May.
Lorette	630	Industrial work, trade, retail services, clerical work, local industries on the reserve and in nearby localities in Quebec City.	March, April, May, December, January, February.
Squamish	630	Longshoring, mills, factories, logging, fishing.	December, January, February.
Tyendinaga	516	Casual part-time employment on farms and canning factories nearby. Day labour on construction projects in surrounding communities.	December, January, February.
Curve Lake	350	Industry (C.G.E., Outboard Marine, etc.), construction, tourism, farming, handicraft, manufacture.	March, October, November, December, January, February.
Six Nations	350	Fruit and tobacco labour, (seasonal), construction, factory construction, (farm implements, canning, etc.), domestic work, farming - labour and self-employed. Main source of income found off reserve.	December, January, February.
Masset		Logging, fishing, cannery work, mining, construction.	
Mistassini (Crees)	385	Trapping, mining, guiding, construction, transport and surveys.	June, July & August.
Dog Rib Rae	332	Trapping, fishing, fire-fighting, logging, wage employment, local construction.	December, January, February, June, July, August.

TABLE XI (continued)

Band	Per Capita Income	Employment Opportunities Locally Available in Order of Importance	Critical Months of Seasonal Idle Capacity
Port Simpson	\$325	Fishing, logging, stevedoring, winter works.	September, October, December, January, February.
Kamloops	314	Industrial subdivision on reserve, logging, lumber mills, cattle ranching, seasonal agricultural labour.	
Sarcee	302	Cattle ranching, casual and seasonal ranch work, wage employment in Calgary.	March, April, May.
Fort William	298	Pulp cutting on reserve, grain elevators, casual and seasonal employment.	December, January, February.
Williams Lake	291	Ranch labour, logging, cattle raising, trapping.	
Moose Factory	284	Hospital jobs, construction, casual employment (H.B.C., R.C.A.F.), trapping.	March, April, May.
River Desert	250	Wood operation on reserve, guiding, agency projects, pipeline.	March, April, May.
Attawapiskat	247	Hunting, trapping, intermittent work around H.B.C. and R.C. Mission, limited commercial fishing in summer (nomadic in winter -- live in Rupert House in summer).	July, August.
St. Mary*s	249	Logging, seasonal agricultural labour, Xmas tree harvest, farming and farm labour, construction, guiding, trapping, handicraft.	January, February, March.
Pointe Bleue	222		March, April, May, December, January, February.
Tobique	215	Potato harvest and construction work in Maine; local handicrafts	June, July, August, December, January, February.
Pikangikum	197	Trapping, fishing, employment provided by Indian Affairs Branch, logging.	March, April, May.
Shubenacadie	180	Handicrafts; fuel wood and Xmas trees; employment in industry away from reserve.	March, April, May, June, July, November, December, January, February.
Oak River	176	Few farmers, several farm labourers in summer, several in construction, sugar beet fields, roads. Majority are unemployed during the winter.	March, April, May, September, October, November, December, and January, February.

TABLE XI (continued)

Band	Per Capita Income	Employment Opportunities Locally Available in Order of Importance	Critical Months of Seasonal Idle Capacity
Rupert House	\$174	Trapping and hunting main source, but decreasing; guiding; canoe manufacture. Economy cannot support population without relief assistance.	March, April, May.
Cold Lake	165	Farm labour, fishing, construction and work at nearby air base.	March, April, May, December, January, February.
Fort St. John	161	Trapping, farming, ranch labour (highly mobile until three years ago)	June, July, August.
Deer Lake (Sioux Lookout)	156	Fishing, trapping, guiding, firefighting.	February, March, April, May.
The Pas	140	Manitoba Highways labour, C.N.R., casual local labour, trapping, fishing, pulpwood cutting.	March, April, May, June.
James Smith	126	Farm labour; casual jobs in other districts; trapping; community employment program.	November, December, January, February, March, April.
Peguis	99	General labour and nurses aides, seneca root, pulp cutting, fish, farming and stock raising.	March, April, May, September, October, November, December, January, February.
Big Cove	61	Lumbering, fishing, handicrafts.	March, April, June, July, August, December, January, February.
Piapot	55	Casual farm labour, construction, domestic jobs. (Numerous members reluctant to accept employment away from home because earnings are less than social aid payments for an average family.)	March, October, November, December, January, February.

The proportion of the population below the age of sixteen, presumably non-working and non-earning, is also considerably smaller in most (though not all) of the more developed bands than in the lower income categories. Thus, in Caughnawaga it is 32.1 per cent and in Skidegate 34.5 per cent as compared to Big Cove's 54.4 per cent. This creates a further disparity in the ratio of per capita real income from gainful employment of 13:1 and 20:1 respectively.

This relatively over-simplified picture, however, needs to be modified by two considerations, as listed earlier: (1) differences in participation rate; and (2) the fact that broad averages hide significant details.

There is not a discernible degree of correlation (.26) as seen in Table XII below, between average per capita real earnings and participation rates because, among Indian bands, as among nations, high participation rates are characteristic of both high average incomes and low average incomes at different stages of development. Characteristically, in the early stages of industrialization in Britain, the United States, Japan and other industrial countries, the earnings of men were insufficient to support their families, so their wives and older children also had to work. Over a period of decades, as the level of wage rates and annual earnings rose -- owing to higher productivity, protective labour legislation, trade unionism, and other forces -- wives tended to leave outside employment and return to their homes, and children remained longer in school so the participation rate tended to decline. In more recent decades, in the higher income, more economically advanced countries, women, particularly married women, have again been comprising a rapidly increasing proportion of the labour force. This has arisen from a number of developments such as higher levels of consumer aspirations, coupled with smaller families, labour-saving devices in the home, and a higher proportion of jobs in the white collar and service rather than manual category.

These variations seem apparent among Indian bands in the sample studied, as may be seen from Table XII. One of the highest-income, most developed bands, namely Lorette, has the highest participation rate, namely 52.3 per cent. Reference to Tables X and XI, showing main fields of employment, would suggest that a high proportion of women of working age in that band are employed in such fields as clerical and office work, retail sales, and light industry. On the other hand, some notably low-income bands, such as Maniwaki, Shubenacadie and Big Cove likewise have high participation rates. Data from Tables K and XI suggest that a high proportion of women in these bands are employed for short periods in low-income employment such as berry-picking and handicrafts.

At the other extreme, some high-income bands such as Skidegate, Caughnawaga, and to a lesser extent, Sheshaht and Squamish, have relatively low participation rates. In these, the high incomes are accounted for by specialization of a high proportion of the male workers in the bands in highly paid "men's work" such as high steel construction, longshoring and logging, while a relatively small proportion of the women participate in the outside labour market.

Some of the relatively developed bands, such as Walpole Island, Tyendinaga and Six Nations follow both patterns. A large minority of their members is employed in high-paid jobs in factories and construction, while another large minority of women and older children is employed in short, seasonal, and relatively low-paid jobs at farm labour, cannery work and domestic service. Hence the relatively low average annual earnings of workers in these three bands (i.e. \$2048, \$1983 and \$1413 respectively, as compared to \$4554 in Caughnawaga, \$4400 in Skidegate, \$4400 in Sheshaht and \$3529 in Lorette).

There are, likewise, wide variations in rates of unemployment or underemployment among the highest income bands. The high average earnings and long average duration of employment of 9.2 months in Caughnawaga and eight months in Tyendinaga, for instance, tend to obscure the fact that there are significantly large numbers of unemployed or under-employed, as shown in the 17 per cent and 15.4 per cent respectively, of males aged sixteen to sixty-four in these bands who had less than two months employment during the year preceding the survey made in the Resources Questionnaire.

TABLE XII

EMPLOYMENT AND EARNINGS AMONG THIRTY-FIVE SAMPLE INDIAN BANDS

	Per Capita Income	Average Months Employment Per Worker	Average Months Employment Per Job	Average Annual Earnings Per Worker	Average Monthly Earnings	Males Aged 16-64			Participation Rate
						% Employed Less Than 2 Months	% Employed Less Than 6 Months -	%Employed More Than 9 Months	
Skidegate	\$1252	10.6	6.7	\$4642	\$438	2.8	5.6	64.3	37.7
Caughnawaga	793	9.2	8.2	4554	495	17.0	42.5	42.6	25.6
Walpole Is.	715	6.16	5.9	2048	332.5	12.6	20.5	37.3	51.3
Sheshaht	664	10.7	10.7	4400	411	6.4	11	85	34.7
Lorette	630	10.5	8.7	3529	336	5.7	5.7	94.3	52.3
Squaniish	630	8.0	8.0	3427	428	9.3	29.6	51.8.	38.9
Tyendinaga	516	7.98	8.0	1413	177	15.4	33.8	48.5	25.2
Curve Lake	350	7.3	3.1	2222	304	22.3	60	40	39.5
Six Nations	350	7.5	4.0	2660	308	n/a	n/a	n/a	24.75
Mistassini	341	5.6	5.6	1853	331	0	62.3	10.7	39.4
Dog Rib Rae	332	5.67		1546	273	3.4	66.2	24.0	
Port Simpson	325	6.9	4.35	2729	395	4.3	74.0	8.7	35.4
Kamloops	314	9.5		2037	214	8.0	40.0	50.3	40.3
Sarcee	302	6.7	2.82	1354	202	11.0	32.9	36.6	46.7
Fort William	298	8.1	6.45	2334	288	15.0	58.3	20.0	30.4
Williams Lake	291	7.5	3.23	1708	228	25.0	85.0	15.0	
Moose Factory	284	6.24		2256	361	9.0	50.0	25.0	
River Desert	250	4.9	3.5	836		5.0	65.0	15.0	46.3
Attawapiskat	247			1400		3.6	75.7	6.3	
St. Mary*s	249	7.27	2.3	1320	181	23.1	77.0	23.1	30.8
Pointe Bleue	222	6.2	5.6	1800	290	65.0	80.0	19.4	23.2
Tobique	215	10.6	3.7	2050	193	30.4	98.0	2.0	20.0
Fond du Lac	200	4.4	2.9	997	126	1.6	96.7	3.3	
Pikangikum	197	6.3	3.4	779	124	5.3	84.2	15.8	
Shubenacadie	180	4.3	2.5	809	201	66.67	88.0	10.75	39.3
Oak River	176	3.6	3.6	770	214	62.5	97.0	3.0	
Rupert House	174	3.2	2.5	810	253	27.5	52.5	5.8	
Cold Lake	165		3.4	1840		66.67	85.2	3.7	
Fort St. John	161	5.0	5.0	931	186		100		

TABLE XII (continued)

	Per Capita Income	Average Months Employment Per Worker	Average Months Employment Per Job	Average Annual Earnings Per Worker	Average Monthly Earnings	Males Aged 16-64			Participation Rate
						% Employed Less Than 2 Months	% Employed Less Than 6 Months -	%Employed More Than 9 Months	
Deer Lake	\$ 156	3.6	3.5			40.35	87.0	11.7	
The Pas	140	6.6	6.6	\$1283	\$194	9.3	32.4	49.0	
James Smith	126	6.6	3.3	1143	173	50.8	80.0	13.3	23.1
pegLlis	99	4.6	4.6	480	104	22.0	88.5	8.0	21.7
Big Cove	61	7.0	2.75	734	105	42.0	80.0	10.3	35.3
piapot	55	5.5	5.5			32.2	79.0	15.5	
Coefficient of Correlation with Per Capita Income		.60	.63	.61	.77	-.41	-.76	.72	.26

6. Rates of Population Growth

growth there tended to be an unusually high rate of population increase, due mainly to a higher survival rate made possible by better standards of nutrition and health. With higher per capita incomes in the rapidly developing countries, however, the rate of population increase slowed down, as higher standards of living and rising consumer aspirations induced families to limit their numbers of offspring. Generally, the lower the income level of a class or group in the population, the higher the birth rate and the larger the families. This was the trend from the late nineteenth century until World War II. The trend was reversed after the War, however. During the 1940's and 50's birth rates and the rate of population increase rose sharply, particularly in high income countries such as Canada and the United States (and in these countries, among families in the middle and upper income groups). Since the mid-fifties, birth rates have been declining again.

To what extent have Indian bands followed such cycles, in response to economic growth and contact with White society? Is there evidence to indicate that birth rates have declined, or tended to be lower) in high income, economically developed bands, as compared to the underdeveloped ones?

Generally speaking, up until World War II, despite high birth rates, most bands appear to have been at a margin of subsistence which kept their numbers limited, or even declining, due to checks of disease, accident and such causes. Since World War II they have experienced a phenomenal rate of increase, due mainly to a combination of continued high birth rates, coupled with much higher survival rates made possible by higher real incomes and better health, nutrition and medical services. The natural rate of increase of native Indians in Canada is now approximately double that of the population as a whole in this country.

One broad measure of comparison is the proportion of the population under sixteen years of age. For Canada as a whole, it is about 28 per cent (which, incidentally, is higher than that of any other western or developed country) For Indians in Canada as a whole, it is about 50 per cent, and the percentage in most bands in the sample of thirty-five under study is close to this figure

There are some significant variations from this general pattern, however, as may be seen in Table XIII below, where there tends to be an inverse correlation between the level of economic development of Indian bands and the percentages of their population under the age of sixteen (as may be seen from Table XIII, there is a statistically significant inverse correlation of -.46 between per capita income of bands and the proportion of their members under the age of 16). Five of the nine most developed bands, namely, Skidegate, Caughnawaga, Lorette, Tyendinaga and Six Nations have a little over 30 per cent of their populations in this age group, while Walpole Island, at 43 per cent is still well below the general average for Indians in Canada. These figures suggest that (with the exception of Skidegate) centuries of contact with White society at various levels, coupled with a high proportion of wage earners in the labour force at relatively high rates of pay, have tended to induce Indians in these bands to adopt White standards of family size. Their situation probably represents a combination of higher survival rates of Indian children in these bands prior to World War II, due to their already higher levels of economic development compared to most other Indians, together with a relatively widespread practice of birth control since the War, (An intensive study of the Six Nations by one author brings out the fact the techniques of birth control are and have been widely known, accepted and practised in that community. Much the same is probably the case with the other four bands mentioned.) Of these five, three are predominantly Protestant in religious affiliation.

The religious factor does not appear to be the dominant one, however, except in particular contexts two high income bands with the lowest percentages of population under sixteen are Lorette and Caughnawaga, both predominantly Catholic in affiliation.

TABLE XIII

AGE DISTRIBUTION OF BAND POPULATION

Band	Per Capita Income	Per Cent Under 16	Per Cent 65 and Over
Skidegate	\$1252	34.5	5.4
Caughnawaga	793	32.1	65.9
Walpole Island	715	43	7.0
Sheshaht	664	51.7	4.9
Lorette	630	32.8	10.2
Squamish	630	49.3	3.5
Tyendinaga	516	34.1	12.1
Curve Lake	350	46.0	5.9
Six Nations	350	37.1	7.7
Mistassini	341	50.1	3.1
Masset	336	47.8	4.3
Dog Rib Rae	332	42.4	5.8
Port Simpson	325	49.7	4.1
Kamloops	314	50.2	4.3
Sarcee	302	49.3	3.1
Fort William	298	45.0	5.2
Williams Lake	291	42.8	6.6
Moose Factory	284	49.7	6.0
Fort Alexander	255	54.1	2.7
River Desert	250	36.1	8.8
St. Mary's	249	32.3	6.4
Attawapiskat	247	46.6	4.8
Pointe Bleue	222	40.7	6.1
Tobique	215	44.7	4.0
Pikangikum	197	43.4	3.5
Shubenacadie	180	43.3	5.9
Oak River, Man.	176	50.6	3.6
Rupert House	174	50.3	3.9
Cold Lake	165	50.9	5.0
Fort St. John	161	50.0	5.0
Deer Lake, Ont.	156	52.1	2.6
The Pas	140	50.1	5.1
James Smith	126	52.2	4.5
Peguis	99	45.7	7.8
Big Cove	61	54.4	3.8
Piapot	55	49.4	5.1
Coefficient of Correlation with Per Capita Income		- .46	.20

On the other hand, two high-income, relatively developed bands, one of which is predominantly Protestant, and the other predominantly Roman Catholic in affiliation, have percentages of their populations close to, or above, the general average for Indians across Canada. Sheshaht, a non-urban band, has 51.7 per cent and Squamish, a highly urbanized band, has 49.3 per cent.

There are two or three possible explanations for this divergent pattern. On the one hand, Lorette and Caughnawaga are among the most urbanized and integrated bands in the country. Lorette, in particular, includes among its members a few wealthy businessmen and a number of professional and white collar workers, as well as skilled and semi-skilled wage earners -- in brief, it represents a rough cross-section of the Quebec City population. Birth rates and average family size probably closely approximate those of the French-speaking Catholic population of the City -- and birth rates and average family size have been falling rapidly in Quebec over the past two decades. A major factor in the case of Caughnawaga is probably the high mobility of its labour force, coupled with its high degree of urbanization.

Members of the Squamish Band in North Vancouver are also predominantly Catholic in their religious affiliations, as pointed out, and equally urbanized in location. They are less integrated and representative of the city population as a whole, however, in so far as: (1) they are predominantly Roman Catholic in affiliation, in the midst of a predominantly Protestant (or religiously neutral) community; (2) they are specialized in the wage earning class; and (3) their economic development and participation as wage-earners in the urban industrial economy has been achieved more recently than has been the case with the other high income bands in Ontario and Quebec. The same (apart from religious affiliation) would apply to Sheshaht, except for their lesser degree of urbanization, in the broad sense of the term. For these reasons, then, they would tend to be less influenced by the surrounding White society as far as birth control and family size are concerned. Or, again, if a special study could be made, it might be found that Squamish followed a roughly comparable pattern to other Catholic wage-earners in the Vancouver district, especially if these were concentrated as an equally homogenous group in one limited residential area.

Lacking sufficient detailed knowledge about the Maniwaki and St. Mary's Bands, one can only speculate as to the reasons for their relatively slow rates of population growth, as measured by the low percentages under the age of sixteen. One possible explanation may be an unbalance in numbers between the sexes of child-bearing age, that leads to low marriage rates and birth rates. Both bands have a relatively high percentage of their members who reside outside of the reserves, namely 20.5 per cent for Maniwaki and 25.6 per cent for St. Mary's. If this out-migration were concentrated disproportionately among the members of one sex -- particularly females of child-bearing age -- it would tend to slow down the rate of population growth.

The higher income bands also generally have a higher percentage of their populations in the upper age group, over sixty-five, as well as having smaller percentages in the lower age, under sixteen group, than do the lower income bands, though the degree of correlation, as shown in Table XII, is not statistically significant.

The factors operating in this direction are probably much the same in both cases. Generally the higher income bands can afford, or have access to, better nutrition, health and medical care to look after their aged as well as their children.

One general conclusion, from the evidence available, would seem to be that higher proportions of the aged and lower proportions of the young in the population are, in most cases, by-products rather than determinants of economic growth. Such proportions affect the distribution of income and its amount per capita, as stressed earlier. But they do not appear to have any measurable adverse effects upon the work incentives or earning capacities of the band population, which are the prime determinants of economic development.

CHAPTER VI

SOCIO-ECONOMIC FACTORS AFFECTING ECONOMIC DEVELOPMENT

The preceding chapter has dealt with primarily economic determinants of differential economic development among Indian bands across the country. This chapter, and the one following, are concerned with forces which, though not primarily economic in motivation or purpose, may be viewed as having more or less important effects upon the levels of economic development achieved by different bands. Somewhat arbitrarily, for purposes of analysis these have been put into two broad categories; namely, socio-economic and socio-cultural.

Included in the socio-economic category are the following, educational levels or attainments; demonstration effect and proximity to urban centres; mobility; and dependence on welfare.

1. Educational Levels and Attainments

Perhaps the most widely accepted hypothesis in the great body of research and writing on the subject is that education is becoming an increasingly important priority for economic development. The United Nations' Report on the World Social Situation (New York, 1961) covering several dozen nations ranging from the most to the least developed, found a far higher degree of correlation between economic development and educational levels than for any other single variable (see Report, Chap. 3).

Education is viewed as playing a central role in economic development for two main reasons:

- (a) An increasingly long period of formal education and training is required to adjust people to rapidly changing technologies in an increasingly complex society. A disproportionate number of the displaced and unemployed, we are told, are concentrated in the ranks of the unskilled and under-educated, as the general skill levels required of labour in modern industry are raised.
- (b) Fully as important as the actual technical or intellectual content of the courses offered are the work habits and motivations which the educational system attempts to instil in people at an impressionable age. A difficult problem of industrialization lies in the inculcation of work habits regulated by the clock and the weekly calendar, the acceptance of steady (and often monotonous) time schedules and routines, of submission to authority, and other requirements of employment in modern industrial and commercial enterprises.

Education, in the broad sense, is considered crucially important for the economic development of Indians in Canada, for several reasons:

- (a) Their present educational levels or attainments in most regions are generally far below those of most other Canadians.
- (b) A disproportionately large number of able bodied Indians of working age are unemployed or under-employed, and a disproportionate number of the employed are concentrated in low-income resource industries and in unskilled jobs. To facilitate the transfer of large numbers of these into more skilled or better paid fields of employment having the most favourable prospects of expansion, will require an extensive, and intensive, program of education, training and conditioning of Indian workers.
- (c) Most important of all is the fact that approximately one-half of the Indian population, as compared to less than one-third of Canadians generally, are less than sixteen years of age. Most Indian bands have far higher birth rates than Whites, and comparatively even higher mortality rates for infants and children. These latter rates, however, have been dropping fairly rapidly since World War II. It seems likely, therefore, that the proportion of the Indian population in the under sixteen age group will continue to grow in the foreseeable future. Allowing for this age group at one end, coupled with the 5-7 per cent over sixty-five years of age, as well as other groups of working age (i.e. sixteen to sixty-five) who are unable to work due to physical or mental incapacity or to family responsibilities (e.g. widows and unmarried mothers), only a fraction of the Indian population --probably one-quarter to one-third -- could be deemed available actually or potentially, for productive employment. A viable economic development program for Indians during the foreseeable future, therefore, will have to focus, not so much on employing, re-employing or redirecting the employment of Indians now of working age, as on educating, training and preparing for work, young Indians who will be reaching working age in rapidly increasing numbers over the years ahead.

Education, in brief, is deemed to play a crucial role in the economic development of Indians and in their integration into the larger Canadian society. Over the past decade or more, as compared to previous years, the Indian Affairs Branch has been carrying out a far larger, more comprehensive and varied educational and training program on behalf of Indians, and education now accounts for the largest single item on the Indian Affairs Branch's annual budget.

In view of the above, therefore, one would expect that among Indian bands, there would be a high degree of correlation between educational levels and per capita real incomes, and that those bands with the highest educational standards would also enjoy, on the average, the highest occupational achievements and income levels -- as was found in the U.N. Survey referred to above.

From the evidence available in the present study, this hypothesis seems generally valid, though the degree of correlation is lower than one would expect. Among the most economically depressed bands are the isolated ones in which the majority of adults are illiterate and unschooled, with a limited command of English or French, while some of the most advanced, high-income bands, such as Lorette and Skidegate, have a significant minority of individuals with relatively high levels of educational achievement. Between these broad extremes, however, the relationship is far from clear.

Here the question of definition is important in attempting to measure the correlation between education and economic development, and even more in attempting to formulate policy.

- (a) What is the best measure of the educational level or attainment of a band? Should it be measured in terms of the proportion of all band members who have completed grade school or high school? Or should it be measured in terms of the minority who have taken post-secondary or university education? The two do not necessarily go together. For instance, as may be seen in Table XIV below (based on a special survey by the Education Division of the Indian Affairs Branch), a larger percentage of the Caughnawaga population than of the Six Nations has a formal education beyond the level of Grade IX, yet the Six Nations has a far higher percentage who have attended, or graduated from, university (and several of their graduates have achieved notable prestige in a number of professions).

TABLE XIV

EDUCATIONAL LEVELS OF BAND POPULATIONS

Band	Per Capita Income	Per Cent Aged 16 and Over in School	Per Cent of Population Educated Past Grade IX
Skidegate	\$1252		
Caughnawaga	793	3.45	4.7
Walpole Island	715	3.92	2.9
Sheshaht	664	3.95	3.6
Lorette	630	4.24	7.0
Squamish	630	3.36	3.9
Tyendinaga	516	3.89	2.4
Curve Lake	350	6.78	2.2
Six Nations	350	7.63	2.8
Mistassini	341	3.20	2.2
Masset	336		
Dog Rib Rae	332		
Port Simpson	325	3.20	2.9
Kamloops	314	2.87	1.9
Sarcee	302	5.48	1.6
Fort William	298	5.35	3.8
Williams Lake	291	6.10	7.1
Moose Factory	284	4.71	1.8
Fort Alexander	255		
River Desert	250	2.90	1.8
St. Mary's (B.C.)	249	4.28	3.4
Attawapiskat	247	3.27	2.1
Pointe Bleue	222	6.12	5.3
Tobique	215	7.66	3.5
Pikangikum	197	.88	0.0
Shubenacadie	180	3.24	.8
Oak River	176		
Rupert House	174	4.51	1.8
Cold Lake	165	2.78	3.7
Fort St. John	161	.73	0.0
Deer Lake, Ont.	156		
The Pas	140	1.79	0.0
James Smith	126	5.40	3.1
Peguis	99	2.25	4.0
Big Cove	61	3.25	1.3
Piapot	55		
Coefficient of Correlation with Per Capita Income		.002	.47

On the other hand, the Six Nations Band has more than twice as large a proportion of its population over sixteen attending schools of one kind or another, than has Caughnawaga. (Indeed, in this latter category, as one of the highest income bands, Caughnawaga has lower percentages than a number of low-income bands such as Tobique, Rupert House and James Smith.)

Again, how is one to compare technical or vocational training, or on-the-job training with formal education? While the evidence on this point is not conclusive as yet, it appears that a number of Indian bands along the Northern Coast of British Columbia have a higher percentage of their adult populations who have taken, or are taking, technical or vocational training courses, as well as a higher proportion of university students and graduates, than the Squamish Band in Greater Vancouver.

How precisely, and in what detail, should one attempt to correlate education with economic development (particularly if defined in terms of per capita real income from gainful employment)? In White society there is far

from a positive correlation. For instance, the most highly educated members, college professors, have lower incomes than members of some other business or professional groups having less rigorous educational requirements. Or, at lower levels of educational achievement, white collar clerical or office workers generally have lower incomes than manual workers who have had fewer years of high school or vocational training. Obviously, even in such an income-oriented society as that of English-speaking Canada, non-monetary incentives are as important, or in some cases more important, than the monetary ones, in the recruitment and motivation of various occupational groups.

The Indians may well be less imbued with the particular non-monetary status-striving motivations peculiar to the White culture. The role of education in their economic development, generally, and individual success in particular, therefore, may be even less precisely definable than in the larger society.

Table XIV above, uses two very rough indices of comparative educational levels; namely, (1) percentage of the population over sixteen still enrolled in schools, and (2) percentage of the total population with an education beyond Grade IX, among a representative sample of thirty-five bands ranked according to per capita real income from gainful employment. As may be seen from the table, there is no meaningful correlation (beyond that of a random sample -- i.e. .002) between the per capita incomes of band members and (1) above. And there is only a limited (though statistically significant degree (.47) of correlation with (2) --(i.e. proportion of population educated past Grade IX)

There are a number of possible explanations for this limited degree of correlation between economic development and educational standards.

- (a) One explanation may lie in certain limitations in data and in statistical techniques.
- (1) First and most important, perhaps, is the fact that the data in Table XIV apply only to resident members of the bands. It was found impossible to obtain reliable data on the educational achievements of non-residents. If such data were available, they would probably show a higher degree of correlation for both measures of educational standards -- i.e. percentage over sixteen attending school, and percentage of population having more than a Grade IX education. For, as noted elsewhere, a high proportion of Indians, perhaps a majority, who graduate from high school or who take vocational or technical training at the secondary or post-secondary levels, leave their reserves and become permanently established elsewhere. And, from the limited knowledge available about them, they generally earn higher incomes than their fellow band members who continue to reside in their home communities. Indeed, the provision of such education and training on a larger scale would appear to be one of the most vital measures for supporting those who wish to leave reserve communities in which the populations have outrun locally available resources and job opportunities.
 - (2) The degree of correlation between economic development and education at the Grade IX level or over may also be underestimated because the latter applies to the entire resident band population in each case, and not just to those of working age. A Grade IX or higher education would probably (but not necessarily, for reasons explained below) show a higher degree of correlation with average earnings of adults (i.e. sixteen and over). The figures in Table XIV do, however, provide one rough index of the value that different communities put on education: that is, the degree to which children as well as adults in bands at different income levels are educated to the Grade IX or higher level in school.
 - (3) The absence of any correlation between average income and proportion of population sixteen years of age and over in school seems more difficult to explain. Absence of data regarding nonresident band members is one limiting factor, as noted, but even

if available it is doubtful whether the degree of correlation would be significant.

It is also possible that attendance at school at age sixteen or over tells us little about the quality of education received, or the level of education attained. The figures apply only to residents of each reserve community. For reasons explained earlier, in many bands (particularly those in areas lacking high schools or vocational training institutes) most of those attending school at sixteen or over would be non-residents. Or, again, in some of the more depressed bands suffering from serious unemployment, a high proportion of Indian students may be kept in school at sixteen or over, even if their educational motivations and attainments are low because job opportunities are lacking and there is, in effect, nothing else for young people to do. By contrast, some bands located in areas where there are manifold job opportunities for Indians at relatively high rates of pay may experience high drop-out rates among their teenage members.

- (4) Another essential limitation is that data on incomes available in this study are essentially static. The ranking of bands according to per capita real incomes is for the year 1964 (and in a few cases 1965). Comparable data for earlier periods are not available, so no analysis can be made of income changes or trends for each band over a period of ten years or so. In some high income bands a high proportion of adults specialize in jobs of a kind that are vulnerable to sharp cyclical fluctuations in employment and earnings (as in logging and construction work, for instance). Ideally, a more adequate measure of the relationships between education and earnings among Indian bands would require correlating improvements in educational standards with improvements in earnings over an extended period of time. A really adequate measure, indeed, would require a correlation of lifetime earnings of individual Indians (or averages for each band) with different educational standards achieved. For high income occupations requiring lengthy education and training generally have low starting rates of pay, lower than do semi-skilled or skilled manual jobs with limited formal educational requirements.
- (b) While the data on this question are fragmentary and would require a series of fairly detailed biographies, many or even most of the Indians who have achieved positions of comparative wealth and business success --as proprietors in farming, fishing, and commercial or industrial enterprises -- appear to have had less than the average education. They have followed, rather, the pattern of traditional entrepreneurship, depending on individual qualities of hard work, abstinence, shrewdness, business acumen, etc. The more highly educated Indians, on the other hand, as pointed out earlier, have tended to be in relatively low-paid professions such as teaching, social work or the civil service, or to be in such professions as law, in which their lack of contact, acceptance and knowledge of the ways of the Establishment keep them in the lower-paid fringe.¹

¹While the following example is too limited to draw any very broad conclusions, it may be typical of several bands in different parts of the country. Three Indian university students who are now established in professional positions came from three different fishing villages in British Columbia, two of them from families of modest means, with fathers the owner-operators of gillnetting boats. The third came from a broken family at the bottom of the social scale. All three are of the view that the most substantial men in their villages -- the owners of seine boats worth tens of thousands of dollars -- belittle the value of education, using their own limited education by way of example. Their sons, according to these informants, are indifferent students and have a high drop-out rate. They maintain that in this sort of Indian community with sharp differences in wealth and income, it is children from the middle class group or, occasionally, from the most disadvantaged deviant families, who are likely to be the most highly motivated in school.

- (c) On the more general level, as brought out in the preceding section, the evidence available indicates that the most important single determinant of a band's economic development is the proportion of its members employed in relatively well-paid manual jobs which have low, or limited, educational requirements. Two of the highest income bands, as noted frequently above, are the Squamish and the Caughnawaga, both located within the environs of major metropolitan areas, providing easy access to the best educational institutions (including universities) within their respective regions. Yet few members of either band are university graduates, and so far there are few that have attended university. Proximity and demonstration effect have not yet operated as motivating forces with effect on development in these cases.

Undoubtedly, part of the answer lies in certain inadequacies in the primary and secondary levels of schooling in previous years. More important, however, would appear to be the main occupational bases of the adult members of these bands, and the attitudes and values that these generate. They appear to impose a certain ceiling of aspirations on the children and teenagers (especially male) of these communities, which in turn affects their attitudes towards, and achievements in, the formal educational system.

On this point, such highly urbanized bands as the Squamish and Caughnawaga appear to have much in common with predominantly working-class suburbs of our major cities and towns. This has some important implications for policies or programs designed to encourage integration of Indians with White society, and the role of education in any such integration program. For the key questions, as pointed out earlier in this Report, are; for what patterns of employment, specialization or diversification, and at what levels of participation in the larger White society should educational programs for Indians be designed?

Specifically, what is suggested is this: In a community in which the majority (or substantial core) of adult male members are employed in relatively well-paid jobs, having limited educational requirements, these establish the basic style of life and also the ceiling of aspirations, for the majority of young people due to enter the labour force in the near future. Particularly where an occupation has elements of risk, excitement and glamour, and a he-man role -- as does the high steel construction work of the Caughnawagas, and to a lesser extent, the longshoring jobs of the Squamish, and the logging jobs of Sheshaht and other bands in British Columbia -- it becomes the model or the main expectation of young males, the type of job that fathers, uncles and older brothers do. Formal education at the high school or post-high school level is viewed as having little or no positive role to play in this career orientation.

By comparison, a relatively developed community (Indian or White) in which the adult males are engaged in a greater diversity of work, such as proprietors of farms, fishing vessels and small businesses, as well as factory or office work, is likely to generate stronger incentives towards education and training. Many Indians -- like many Whites -- are being displaced from primary industries such as farming and fishing, owing to rapid technological change and the trend towards larger scale operations. Clerical and factory workers are more directly influenced by such changes. Both groups are more likely, therefore, to attribute lack of success on their part to deficiencies in education or training, and to stress in conversation the importance of education as a requirement for economic survival.

- (d) Another possible factor to explain the fact that some bands located within easy access of large urban communities fail to take advantage of them for their own advancement, is that such access also offers too many competing attractions. For instance, superintendents' reports and other data indicate a high drop-out rate among Indian students of the Sarcee Band on the outskirts of Calgary, even though this band's location, as well as its sizable band funds and revenues, provide it with advantages for achieving a superior level of economic and educational development.

- (e) Another factor that can strongly influence the educational motivations and attainments as well as the economic development of an Indian band is the degree of difference in status between its members and residents of the adjoining or nearby White community. This can have a strong effect on Indians and Whites alike.

Conclusions and Qualifications

One limitation in this study is that the data available in this research survey probably underrate the effect of education on economic development, because it focusses on the community rather than the individual. An increasing number of Indians have graduated from high school or taken post-high training and permanently left their home reserves.

Another limitation is that, in the nature of the case, it is too early to be able to measure the full impact of education upon economic development. It is scarcely more than fifteen years since the Indian Affairs Branch began its program for the integration of Indian pupils in White schools, and to improve the quality as well as the amount of education that Indians receive. Most adult Indians received what limited education they now have prior to this period, when there were serious shortcomings in the educational facilities available to them, while the younger adults have not had time, as yet, to enjoy the full benefits in earnings from the improved educations that they've received.

Finally, it is possible that to some extent the apparent lack of a more direct connection or higher correlation between the levels of education and of economic development achieved by various Indian band communities may be due to continued shortcomings in overall policy. The program for integrated education of Indian children in many cases may be doomed to failure unless it is accompanied by equally ambitious programs on other fronts --housing, community development, infrastructure, and economic growth generally.

2. Demonstration Effect and Proximity to Urban Centres

The orthodox economic viewpoint as noted at the beginning of this study is that people are naturally motivated to want more than they have and will exert themselves to get it wherever they have the opportunity. They are limited only by their means.

The more sophisticated view today is that the intensity of wants of a people depends on cultural contact, including the demonstration effect of seeing and experiencing a higher standard of consumption among more economically developed people.

According to this view, Indian bands living in close proximity to more developed White communities should have correspondingly more developed consumer tastes, especially for expensive durable goods or services that involve long-term saving or debt commitments (e.g. homes, automobiles, university education). These, in turn, should induce Indians to seek and hold steady well-paying jobs and to save and accumulate capital to develop their resources more effectively.

One might expect, therefore, that most members of Indian bands located in close proximity to White communities would be so motivated and economically more advanced than those located at some distance from them. Indeed, one might postulate a rank order of bands in terms of the sizes and types of White communities to which they have easiest access, major metropolitan centre, satellite city or suburb, small commercial centre, small industrial centre, village, and farm community, in descending order. The larger and more complex the community, the wider the choice of goods and services (as well as types of job opportunities) the greater the demonstration effect and motivation, and so on.

This, again, is a variable factor that would be difficult to quantify and measure with any degree of accuracy, as no statistics have been compiled on the subject. These would probably be redundant in any case, for on inspection there appears to be little, if any, correlation between the comparative economic

development of bands and their relative proximity to urban centres of various types and sizes, except, again, at the extremes. The more isolated bands in the northern belt and some of the more isolated rural bands in the Prairies are among the least developed, and their members probably have the lowest standards of living or levels of consumer aspiration. By contrast, as shown in Table VIII earlier (in the section dealing with infrastructure) most of the highest income, most economically developed bands in the sample studied are located in or near large metropolitan centres or industrial towns, and generally show the highest percentages of households with electricity, running water, indoor baths and toilets, telephones and automobiles.

Such communities, however, appear to be in the minority. Among the highest-income and most developed bands, economically and educationally, are several which are located at considerable distances from urban centres. Among the most depressed Indian bands are some located in or near White urban communities, including large metropolitan centres as well as notably prosperous and expanding business or industrial towns that would seem to offer manifold job opportunities. For various reasons the members of such bands have failed to participate effectively in the surrounding economic activity. Among such reasons are the following:

- (a) Modern improvements in transportation and communication have tended to reduce the importance of physical distance, or proximity, as factors determining the frequency of intensity of contact and demonstration effect. A great distance, in terms of miles, may mean little in terms of time and effort where there are automobiles and good roads, or chartered plane flights and the means to pay for them. Advertising by means of radio, television, mail-order catalogues or magazines can create as much desire for various commodities as does actual window shopping. The main distance facing most Indians and the main barriers that prevent them functioning effectively in the national economy, are essentially social rather than physical in character,
- (b) Most large urban areas have a dependent White minority containing a familiar hard core of the social casework loads, As pointed out by various authorities, individuals in such groups are not motivated by the same incentives or to the same degree as are most members of the working and middle class, The urban poor constitute a self-perpetuating sub-cultural group with its own system of rewards and satisfactions in which durable consumer goods, education and higher status do not function as economically motivating forces, Indians frequently tend to integrate with White society at this level and thus tend to perpetuate low subsistence standards that have grown up in reserve life.
- (c) Again, even in the same metropolitan community, different Indian bands may react differently, or be motivated in quite different degrees.

Here the crucial variable would seem to be the groups in the White community with whom Indians participate, or fail to participate, effectively. For instance, in the Vancouver area, members of the Squamish Band at one time were concentrated in fishing, cannery labour and casual longshoring. In recent decades, they have become displaced from fishing and cannery labour to a large extent, while longshoring has been decasualized. A sizable core of adult workers has become regularly employed, well paid workers on the docks and to a lesser extent in logging operations, sawmills and other industrial establishments, and appears to maintain relatively high standards of consumption. Their houses, cars and other appurtenances appear to be of nearly equal quality with White middle-income neighbours. Members of the Musqueam Band, by contrast, have remained concentrated in the ranks of casual labour and a much larger proportion than in Squamish are dependent on relief. Unlike Squamish, the Musqueam Reserve is located on the outskirts of a prosperous high-income or upper middle class community. Children of both groups in the area, White and Indian, largely attended the same schools. However, the gap in incomes and living standards between the two groups appears to be too large and thus perhaps fails to have sufficient demonstration effect on Indian motivations with regard to work habits and behaviour patterns as well as education.

These cases perhaps raise some important points regarding the integration and motivation of Indians. In some cases Indians appear to be more

economically motivated and participate jointly with Whites to a greater extent in less developed communities, where White standards in income, consumption and schooling are not too high in relation to the Indians, so that the latter can feel confident of being able to compete on an equal basis. The Pemberton Valley, some sixty miles northeast of Vancouver, again seems a good example of this process. Both groups, Whites and Indians, have been abandoning farming and turning increasingly to logging and construction work. To an increasing extent, they are employed on the same projects. Educational standards are generally low for both groups. A small core of residents, both White and Indian, has made a determined effort to improve educational standards and encourage greater participation of both groups in various social activities. While employment opportunities are rather limited for both groups, and there is usually a body of under-employed Whites as well as Indians, increasing numbers of Indians have become steady, well-paid skilled or semi-skilled employees, as well as completing their high school educations and pursuing careers elsewhere.

3. Mobility

It is a basic tenet of economics that greater mobility of the labour force contributes to increased efficiency and higher per capita income over the economy as a whole. Logically, it should apply to individual Indian bands as well. If a high proportion of band members were willing and able to leave their reserves for more or less long distances and extended periods of time, they would be better able to take advantage of outside job opportunities and move into better paid types of employment, while at the same time reducing the pressure of population on resources and job opportunities in or near their own communities.

Generally, the findings in this research survey from the evidence that is available seem to indicate that there is a high degree of correlation between mobility and economic development, as measured by per capita real income from gainful employment. As one sort of indication, for instance, correspondence among officials at different levels within the Indian Affairs Branch throughout the country indicates that there is a pronounced cyclical pattern of mobility among Indians. During periods of expansion when new job openings are available to them, increasing numbers leave their reserves for varying periods of time. In periods of recession and unemployment, as during 1957-58 and again in 1960-61, more or less large numbers of them return to their reserve communities because of displacement and unemployment. In the past four years of rapid and uninterrupted expansion in British Columbia, for instance, the percentages of band members residing off their reserves rose as follows, year by year as of January 1st: 1962-14.2 per cent; 1963-15.8 per cent; 1964-18.7 per cent; 1965-22.4 per cent. As of 1965 there were some 400 fewer Indians on reserves than there were in 1961, despite an increase in total Indian population of more than 3,500 in the province.

It is appropriate at this point to define different types or patterns of mobility, to analyse more precisely in what respects they may be viewed as favouring, or discouraging, the economic development of a band.

- (1) Among the most depressed Indian bands are those whose members have lost their mobility. The outstanding case, of course, comprises the dozens of bands across the whole northern belt of the country who formerly engaged in hunting, fishing and trapping economies with their high requirements of seasonal movement. As noted earlier, a combination of low fur prices, rapid population increase and depletion of resources in some areas, coupled with changes in educational and welfare policies of the Indian Affairs Branch, have led increasing numbers to abandon their former means of livelihood, reside permanently in or near the band community and depend increasingly on relief.
- (2) Daily commuting to work. Generally, as noted earlier, there is a positive correlation between average per capita real income and the proportion of band members employed in wage or salaried work outside the reserve. This is particularly true of some bands located in or near urban or industrial operations in which steady, year-round jobs, or regular employment in well-paid seasonal jobs, are available within commuting distance of their reserves.

- (3) Working and living away from the reserve for weeks or months at a time. Among different bands, we find a mixed picture in this regard.
- (a) Some bands with a high mobility of this type have low per capita incomes because many of their members are employed in low-paid casual types of labour. Among these, as noted, are those engaged in such work as sugar beet labour in South Alberta, wild rice harvesting in Southeastern Manitoba, and tobacco field labour and fruit picking in Southern Ontario.
 - (b) Other bands in this category would be classed as relatively high-income groups because many of their members are employed in high-paid seasonal work that requires their leaving the reserve for extended periods (e.g. steel construction of the Caughnawagas, logging and fishing among the Skidegate, Nimpkish, and numerous other bands on the West Coast, and clearing and construction work among numerous bands in virtually all provinces).
- (4) Permanent residence off the reserve. The line between this and the preceding category, of course, is hard to draw. It is largely a matter of process and degree. One familiar sequence, for instance, is that of individual Indians who have to leave their families for weeks or months at a time, to get and keep jobs in areas too distant from their home reserves to be able to make regular visits home except at an exorbitant cost for transportation. This sort of situation, of course, tends to create anxiety and tension, and partly accounts for the high turnover. Where the pay and working conditions are satisfactory, or at least superior to anything available within commuting distance of the home reserves -- and where adequate housing accommodation is available, Indian workers frequently bring their families with them and leave the reserve permanently (or, alternatively, in some cases, they may desert their families, as happens not infrequently among Whites). In times of recession and layoffs, as noted earlier, many such workers and their families tend to return to their home communities.

Permanent residence away from the reserve is more pronounced among the skilled and educated minority, where home reserves are too distant from the urban centres in which they receive their training and in which their main opportunities for employment are concentrated. While lacking definite statistics, most of the available evidence seems to indicate that very few Indians from more isolated bands in Northern Ontario, Manitoba, or British Columbia who (with the assistance of the Indian Affairs Branch) receive high school or vocational school training in Toronto, Winnipeg or Vancouver, ever return to their home reserves, except for brief visits.

It might be thought, in this connection, that such mobility would have adverse effects on the development potential of numerous Indian bands, for the net result might tend to be to drain the community of its most able, enterprising and productive members. From what evidence is available, however, this does not seem to be the case. Table XV below presents statistics concerning the percentage of the population residing outside their reserve communities for each band, and the average annual earnings from employment of non-residents as compared with resident, for thirty-six bands in the sample studied. The percentage of non-residents to total population is generally larger for the high-income than for low-income bands. There are notable exceptions among both income groups, of course. The percentage of non-residents is relatively low for two high-income bands -- i.e. Sheshaht (13.2 per cent) and Squamish (9.9 per cent) -- largely because the working residents of these bands are able to find well-paid employment within commuting distance of their reserves. Some relatively low-income bands, on the other hand, show a high rate of non-residence; notably Shubenacadie, Nova Scotia (41.6 per cent).

This is to be explained mainly by the large proportions of band members who have emigrated to the United States to take advantage of superior employment opportunities, while employment opportunities and rates of pay remain inadequate for those who have stayed in their reserve communities.¹

That non-resident band members in the majority of cases gain economically from their mobility seems indicated by the second column of figures in Table XV, showing, in percentage terms, average annual earnings of non-residents compared with residents in each band. Non-residents' earnings, on the average, exceed those of residents in seventeen bands; in three they are estimated to be the same; in seven they are less than those of residents; and in nine the earnings of non-residents are unknown. The superior earnings of non-residents are particularly striking among a number of low-income bands in the Prairies in which farming and casual farm labour are the main sources of employment; e.g. Piapot and James Smith, Saskatchewan (300 per cent); Peguis (200+ per cent); and Oak River (250 per cent) in Manitoba. The 300 per cent figure for Sheshaht represents a handful of specially skilled and highly paid workers in a small band having only 50 family units.

- (5) So far most of the discussion has concerned the reversible mobility of male workers or family groups. Another very significant type of mobility among the Indians, however, is that of individuals, particularly females, who move permanently into White society. In many, perhaps most bands, the girls study in school longer than the boys and acquire training that better fits them for outside jobs, particularly as nurses' aides, office or clerical workers, and occasionally teachers and social workers. They are employed mainly in urban communities and frequently marry White men. This migration tends to leave an imbalance between the sexes of marriageable age in the home bands. The surplus of males of marriageable age, in turn, probably encourages greater numbers of men to leave their home reserves permanently to find work elsewhere.

This pattern would apply primarily to bands in farming and primary industrial areas that are beyond commuting distance from sizable cities and towns. In the more isolated hunting and trapping bands in the north, the movement of Indian women out of the reserves to live with Whites does not necessarily improve the economic status of the community. In many, perhaps most, cases the Whites are of a lower economic status and inter-marriage under such circumstances has given rise to numbers living on the outskirts of reserves under equally or more depressed conditions than the residents of the reserves.

There may be two or three other situations in which out-migration does not contribute to economic advancement of the individual or of the band:

- (i) Where resources in the band community are more than adequate to support the populations at higher levels of income if used more fully and effectively and where mobility might prevent such utilization. (This may be the case with a few of such well-endowed bands as the Blood and Sarcee in Alberta.)

¹In comparing rates of mobility, four bands (i.e. Dog Rib Rae, Attawapiskat, Pikangikum and Deer Lake) should perhaps be omitted from the discussion because "percentage residing off reserves" is not in itself a reliable index of mobility. In these cases, and numerous other bands across the northern wooded belt, a large proportion -- and in some cases all -- of the band members reside on Crown lands acquired by the Indian Affairs Branch on their behalf, and their communities comprise, in effect, new reserves.

- (ii) Where mobility is basically non-economic in motivation and in results (e.g. the hundreds of Indians in British Columbia who go berrypicking a few weeks each year in Northern Washington, frequently at the expense of more remunerative employment in farming or logging closer to their home bases).
- (iii) Where there is a migration to cities and towns of Indians who are unskilled and unprepared for urban life. A large but unknown number has ended up becoming permanently unemployed and dependent on social welfare, or on Skid Road.

Mobility, finally, should be expected to encourage greater participation of Indians in the social as well as economic sense in White society. Again, however, this is not always the case. Some patterns of mobility may tend to keep Indians in a distinct and separate status as a group (e.g. the annual migration of Indians for sugar beet work in Southern Alberta and Saskatchewan, and in British Columbia for berrypicking, fishing and cannery labour). Or, again, the continuous mobility of the Caughnawagas required by the very nature of their specialized high steel construction work perhaps prevents them establishing firm roots in outside White communities, and reinforces their much publicized determination to survive as a distinct social group.

It seems safe to conclude, however, that high rates of mobility and out-migration from reserves are major factors contributing to the economic advance-merit of most Indian bands in Canada. Indeed, there seem to be good grounds for concluding that in most bands expenditures of money, time and personnel for training and conditioning Indians to migrate from their reserves, and providing them with the facilities for resettlement elsewhere, would contribute more to their economic advancement than equivalent expenditures devoted to community and resource development within or adjacent to their reserves. The two policies are not mutually exclusive, of course. What is suggested is greater emphasis on the former than has been the case hitherto, to achieve a better balanced program.

4. Dependence on Welfare

Among the most strongly diverging viewpoints concerning economic development are those centred around the role and effect of welfare expenditures, in the broad sense of the term.

The conservative or traditionalist economic view, as outlined earlier, is that the accumulation of capital needed for development requires saving, which in turn means restricting levels of consumption (including government welfare expenditures paid out of taxes). Proponents of traditional free enterprise philosophy maintain that, spending too much on non-productive, non-revenue-producing welfare services and facilities, discourages expansion of the productive, revenue-producing sectors of the economy.

But there is a growing body of thought that stresses the need for balanced economic and social development. For one thing, rapid economic development often has disruptive effects that involve high social (and in the long run economic) costs (e.g. the social problems that accompany the launching of a major new industry, with the influx of large numbers of transients into a hitherto stable, tradition-bound community). Beyond this, there is growing emphasis on the economics of human investment (i.e. expenditures on health and welfare, as well as educational services and facilities) as against investment purely in capital goods, as a necessary accompaniment of and stimulus to economic development. To the degree that such expenditures serve to improve the health, morale and efficiency of the people, they should stimulate economic growth.

Perhaps the most common charge levelled against the Indian Affairs Branch (and the critics include many people within the Branch itself) is that its welfare policies since the War have tended to lower the initiative of Indians and thus impede their economic development. In one broad sense this charge seems justified. Dozens of bands across Northern Canada who up until recently supported themselves at a meagre subsistence level in hunting, trapping and fishing economies, have now forsaken their traditional activities and become almost entirely dependent upon government welfare and relief. The problem is compounded by the

TABLE XV

MOBILITY AND EARNINGS

Band	Per Capita Income	% Population Residing Off Reserve	Average Earnings Non-Residents, 70 of Residents	Religious Affiliation (1959 Census)
Skidegate	\$1252	18.0	86	100% UC
Caughnawaga	793	27.11	150	84% RC
Walpole Island	715	19.3	82.2	70% AC, 22% UC
Sheshaht	664	13.2	298	97% UC
Lorette	630	41 .8	n/a	100%. RC
Squamish	630	9.9	100	97% RC
Tyendinaga	516	53.8	160	40% AC, 56% not stated
Curve Lake	350	26.3	136	98% UC
Six Nations	350	39.8	n/a	34% AC, 30% Bap. 19% LH
Mistassini	341	20.0	31.4	Over 90% AC
Masset	336	24.7	n/a	99% AC
*Dog Rib Rae	332	100.0 (Nomadic)	n/a	98% RC
Port Simpson	325	33.0	n/a	99% UC
Kamloops	314	20.7	n/a	100% RC
Sarcee	302	5.4	n/a	52% RC, 48% AC
Fort William	298	24.5	78.4	100% RC
Williams Lake	291	11.0	172	100% RC
Moose Factory	284	19.4	n/a	98% AC
Fort Alexander	255	17.7	100.5	73% RC, 27% AC
River Desert	250	20.5	200	90% RC
St. Mary's	249	25.6	125	100% RC
*Attawapiskat	247	48.3	n/a	94% RC
Pointe Bleue	222	23.2	189	99% RC
Tobique	215	29.6	92	100% RC
*Pikangikum	197	29.1	112	75% UC, 19% RC
Shubenacadie	180	41,6	n/a	100% RC
Oak River, Man,	176	2.3	268	71% AC, 29% RC
*Rupert House	174	10.7	n/a	100% AC
Cold Lake	165	13.4	129	97% RC
Fort St. John	161	15.5	120	92% RC
Deer Lake, Ont.	156	31.0	132	67% UC, 30% RC
The Pas	140	8.8	n/a	100% AC
James Smith	126	3.75	300	95% AC
Peguis	99	8.0	167	90% AC
Big Cove	61	18.4	n/a	100% RC
Piapot	55	13.0	779	93% RC

*- Entirely Crown Land

RC - Roman Catholic

UC - United

AC - Anglican

LH - Long House

fact that better health and nutrition, due to government expenditures, as compared with the old subsistence economies, have sharply reduced the death rate and led to the familiar population explosion.

Much the same has occurred among depressed Indian bands in the Maritimes and the Prairies. In many such communities, prior to the War, most band members depended upon marginal farming and low-paid casual jobs of short duration, supplemented by meagre relief handouts.

Such cases should not simply be accepted as proof that welfare expenditures discourage development, however. Several points would seem to modify or refute that conclusion. First, there is nothing to indicate that Indian

communities were more economically developed prior to the adoption of a more liberal welfare program. The subsistence economies in the northern belt based on hunting, trapping and fishing were static and undeveloped, and most Indians would probably have been displaced from these activities in any case owing to technological changes substitutes for fur, low fur prices, development of new transportation facilities and industries resulting in the influx of Whites, depletion of resources, etc. Second, improved welfare was probably unavoidable in any case regardless of possible deterring effects economically, for there is a moral necessity to provide minimum subsistence and health services to all the population. Third, if a balance of new job opportunities were made available, and if Indians could be motivated to make full use of such opportunities, in the aggregate they probably would be found to be more employable than before, by reason of their improved levels of nutrition and health, made possible by the more liberal welfare services available to them since the War, than they would have been had such services not been provided.

Fourth, the more valid criticism is not that against welfare as such, but rather against the lack of a balanced program for economic and social development. With the wisdom of hindsight, we can now see that it would have been better to have launched an ambitious program of economic and community development in the broadest sense among Indians, with welfare as only one part of the program. This imbalance is not peculiar to the Indian Affairs Branch. On a world scale some of the main problems of economic development have arisen from the fact that in previous decades developed countries exported personnel and facilities for improving health and reducing the death rate before exporting capital. and techniques for achieving sufficient economic growth to support the population increases that better medicine and health brought about.

Finally, it should be pointed out there does not seem to be any significant inverse correlation between welfare expenditure and economic development except, again, at the extremes. As would be expected, the highest expenditures per capita by the Indian Affairs Branch are for the most undeveloped bands whose members are almost entirely unemployed, while at the other extreme, some of the highest income bands involve virtually no relief expenditures out of public funds. For reasons discussed below, however, this pattern arises primarily because welfare needs are a result of a lack of economic development, but cannot be assumed to be a basic cause of this lack. Furthermore, the low level of public welfare expenditures among a number of bands is explained by the fact that they have sizable band funds and revenues which are drawn upon to pay for relief and other types of welfare for their members.

A more meaningful comparison might be achieved by combining relief expenditures from both sources -- i.e. band funds and the public purse. Here, however, another difficulty arises, because bands differ considerably in relief policy. The Squamish Band, for instance, appears to have been fairly liberal in giving relief to indigent Indian mothers who had lost their band membership by leaving the reserve to marry or live with White men and subsequently returned to the reserve. Some wealthy bands in Alberta, such as the Blood, by contrast are exceedingly strict in their criteria of band membership and in granting relief to non-resident band members, or former residents who lost their membership rights. Again, such bands as the Sarcee have been extremely liberal in voting themselves large annual cash distributions from the band revenues, and these should, functionally, be considered the equivalent of relief,

A special survey carried out by the Welfare Division of the Indian Affairs Branch a couple of years ago provides a broad comparison of per capita incomes and Indian Affairs Branch welfare expenditures per capita for some sixty-nine agency divisions across the country. Conspicuous by their absence from the list were seven agencies that include some of the most developed bands, in terms of average per capita real income from gainful employment (or, from the Branch's view, the minimum problems of welfare); namely, Vancouver, New Westminster and Kwawkwalth in British Columbia, Caughnawaga and Lorette in Quebec, and Six Nations and Walpole Island in Southern Ontario.

Allowing for these at one end of the scale, and for the most undeveloped and depressed areas on the other, the inverse correlation between annual income per worker and per capita relief payments was small. As measured by income,

the agencies were ranked according to percentage of Indian households receiving less than \$2000 per annum from employment. Three of the five highest, Fort Vermilion, Alberta (100 per cent), Battleford, Saskatchewan (98.1 per cent), and Eskasoni, Nova Scotia (98.3 per cent) were among the top ten ranked according to relief expenditures per capita (\$162, \$116, and \$118 respectively). Beyond these, there appears to be little correlation. For instance, Seven Islands, Quebec, ranking sixty-second in terms of percentage of households earning less than \$2000 per annum (68.3 per cent) ranked second out of sixty-nine in per capita relief payments (\$157). Similarly, Pointe Bleue, Quebec, ranked fifty-sixth and third (\$149) respectively. At the other extreme, Fort St. John, British Columbia, ranked third highest in percentage of Indian households earning less than \$2000 per annum (99.1 per cent), was near the bottom in terms of relief per capita (\$20). In between these were such agencies as the Blackfoot in Alberta with 71.1 per cent and \$1 respectively, and the Queen Charlotte Agency in British Columbia, with 40.9 per cent and \$81 respectively.

Data regarding welfare expenditures per capita, and percentage of households receiving welfare for periods of varying duration during the year for most of the sample bands in the study are shown in Table XVI below. These figures were provided as part of the special survey made by the Welfare Division of the Indian Affairs Branch in 1963.

Generally, as would be expected, the figures from this representative sample of bands show much the same pattern as by agencies, as described above. That there is a definite relationship between welfare expenditures and lack of development is shown by the inverse correlation between bands ranked on a descending scale according to per capita real incomes from gainful employment, and the generally ascending scale of percentages of households depending on welfare payments during the year, and welfare expenditures per capita.

Again, however, there are significant divergencies from this general pattern. The percentages of households receiving welfare during the year were considerably larger in certain high income bands such as Caughnawaga (12.76 per cent), Walpole Island (14.1 per cent), and Squamish (28.5 per cent), than in certain relatively low-income, under-developed bands such as River Desert (6.7 per cent) and Fort St. John (7.4 per cent). Similarly, per capita expenditures in Squamish were \$42 for the year, as compared with a mere \$7.6 in Dog Rib Rae and \$5.24 in River Desert.

One can only conclude, from these data, that welfare or relief for indigents has widely differing results on the work motivations and behaviour patterns of Indians in varying circumstances. (Another variable in the picture, of course, is differences in policy, between strictness and liberality among Indian superintendents.) At the one extreme, in an agency such as Fort Vermilion in Northern Alberta, or individual bands within that agency, where 100 per cent of the Indian households were estimated to earn less than \$2000 per annum and which also receive the highest per capita relief grants (\$162), one can only conclude that the majority have given up their low-paid trapping activities and become almost wholly dependent on relief. In Fort St. John on the other hand, where 100 per cent were estimated to receive less than \$200 per annum and where only 7.4 per cent of the households receiving relief and per capita expenditures over the agency as a whole amounted to only \$10, the majority of band members continued to sustain themselves in their older way of life, despite the low average earnings.

By contrast, in the Queen Charlotte Agency, for instance, a larger proportion of Indians is employed in relatively well-paid logging, fishing and canning jobs, and in the Caughnawaga and Squamish Bands in well-paid construction and longshoring jobs, so that less than half are earning less than \$2000 per annum; and only 9.1 per cent and 16.4 per cent respectively earn less than \$1000 per annum, as compared to almost 100 per cent in Fort St. John. But a far higher proportion of band members depend on relief, and per capita payments were \$81 in the Queen Charlotte Agency as compared to \$20 in the Fort St. John Agency. This suggests that for most people the availability of relief, which at best yields a bare subsistence income, acts as a deterrent to working for a livelihood only where employment opportunities themselves are limited to arduous, risky or otherwise unattractive types of employment which also yield only a bare subsistence income (such as trapping)

TABLE XVI

WELFARE DEPENDENCE AMONG BANDS

Band	Per Capita Income	% Households Receiving Welfare	Welfare Expenditure Per Capita	Total Transfer Payments Income Per Capita
Skidegate	\$1252	n/a	n/a	n/a
Caughnawaga	793	12.76	12.33	73.0
Walpole Island	715	14.1	5.22	107.95
Sheshaht	664	3.4	9.5	70.7
Lorette	630	2.1	6.3	77.47
Squamish	630	28.5	42.0	186.0
Tyendinaga	516	0	0	161.0
Curve Lake	350	n/a	n/a	n/a
Six Nations	350	2.3	4.28	78.0
Mistassini	341	84.75	46.92	137.6
Masset	336	n/a	n/a	n/a
Dog Rib Rae	332	18.5	7.6	109.87
Port Simpson	325	28.0	29.4	115.2
Kamloops	314	13.7	18.9	73.0
Sarcee	302	44.3	24.0	220.5
Fort William	298	37.3	69.34	173.33
Williams Lake	291	36.8	27.0	91.6
Moose Factory	284	n/a	n/a	n/a
Fort Alexander	255	n/a	n/a	n/a
River Desert	250	6.7	5.24	102.8
St. Mary's	249	58	38.5	265.8
Attawapiskat	247	39.2	45.0	194.0
Pointe Bleue	222	66.5	94.6	194.5
Tobique	215	76.4	65.0	127.0
Pikangikum	197	43.8	31.64	93.5
Shubenacadie	180	78.1	191.84	276.7
Oak River	176	83.33	29.0	112.3
Rupert House	174	21.4	18.0	85.8
Cold Lake	165	89.3	73.9	197.86
Fort St. John	161	7.4	65.0	89.7
Deer Lake	156	n/a	n/a	n/a
The Pas	140	25.8	14.72	124.0
James Smith	126	100	70.7	172.0
Peguis	99	100	82.46	119.0
Big Cove	61	67.2	69.0	139.6
Piapot	55	86.5	95.3	214.4

in the Northern Territories). And even there, as the case of the Fort St. John Agency at the time this survey was undertaken indicates, numerous Indian bands continued to support themselves at these activities, despite the inadequate rewards.

Where their employment opportunities do yield adequate levels of income, and in areas where through demonstration effect Indians have been imbued with consumer aspirations well above the subsistence level, the availability of relief does not in itself act as a deterrent to employment and economic development. This seems to be the case among the majority of Indians in the higher-income, more developed agencies and bands, such as Queen Charlotte, Caughnawaga, Squamish and others noted above.

This divergent pattern may also, perhaps, indicate some weakening of kinship ties and obligations among residents in the more urbanized, developed bands. In the more urbanized bands such as Caughnawaga and Squamish where most families depend for their livelihoods upon the earnings of the family head as an individual wage earner, the family tends to be more reluctant to look after indigent kin, and more insistent on their seeking welfare aid.

Important in bringing about changes in this relationship among the more urbanized and industrialized bands is the fact that family income is primarily in the form of money rather than kind (in the form of fish, game or farm produce). The latter is a type of income that often must be produced or garnered collectively and thus is to be shared accordingly.

One other pattern that stands out is that some of the wealthier bands, in terms of ownership of large band funds yielding large band revenues, are under-developed in terms of average earnings from gainful employment. This is indicated in the fact that Indians in the Blackfoot Agency, 71.1 per cent of whose workers earned less than \$2000 per annum, received nothing in relief payments from the Indian Affairs Branch. As suggested above, a liberal relief policy and large cash distributions, both financed by band funds, have acted as deterrents to their members seeking and training for, and keeping, relatively steady, well-paid jobs or, alternatively, utilizing their resources more intensively to yield a larger work income.

CHAPTER VII

SOCIO-CULTURAL FACTORS INFLUENCING ECONOMIC DEVELOPMENT

A growing body of literature has focussed on what may be called socio-cultural factors, rather than economic or socio-economic factors, as the crucial variables determining the pace and magnitude of economic development.

Indian bands in Canada have been subjected to several sorts of historical influences from their interactions, of varying scope or intensity, and at certain levels, with White society, and from the special systems of administration and internal organization of the reserve and band council, under the supervision of an agency superintendent.

Numerous socio-cultural variables within this general context may be viewed as helping, or hindering, economic development. Unfortunately, most of these variables, because of their subtle and subjective nature, do not lend themselves to objective and statistical types of measurement and comparison.

1. Tribal Culture

It is widely believed, and a number of facts would appear at first glance to verify it, that Indians from bands of some cultural or language groups are more enterprising and progressive than those of others, due to values and behaviour patterns that encourage their economic development in the modern age. Comparisons are frequently drawn between the Iroquois and the Ojibways or Crees in Ontario and Quebec, and numerous Indian bands along the coast of British Columbia with most bands in the Interior of the province. The contrast seems particularly striking along the Skeena River from the coast up to and including Hazelton. The Tsimpshian are generally more developed, as measured by average per capita income from gainful employment, educational levels, development of Indian-owned enterprises, numbers in business or professional positions, and so on. These differences seem to apply even where the purely economic factors are equal, or if anything more favourable to Carrier than to Tsimpshian Bands (e.g. size of band funds, location in relation to expanding urban communities and job opportunities).

One plausible explanation that is frequently offered is that coast Indian economy was such as to enable them to reside in settled communities during most of the year and to develop advanced techniques and relatively expensive types of capital, such as large houses and canoes. Experience and skill in fishing and related work were used in their integration with the White economy, as fishing and canning became one of the early leading resource industries of the province. Until fairly recently, the coast Indians managed to retain a firm foothold in the industry, despite rapid technological and organizational changes, and a rapid trend toward larger scale, more expensive boats and equipment. While large numbers of Indians have been displaced from the industry in recent years, there are still a number of substantial proprietors owning capital in the tens of thousands of dollars.

Indians having this sort of background, it might be expected, would be more adaptable than most to change, and fit more easily into the requirements of modern industrial society.

The Carriers, by contrast -- and much the same would be true of other people in the broad northern belt of the country -- have depended essentially on highly mobile hunting and fishing (and, for most of the period since contact with Whites, trapping) in small scattered groups. Band members came together for brief periods during the summer months. The high mobility required and the necessity to travel light might be expected to generate attitudes and values rather indifferent to the accumulation of large or expensive types of capital, or to long-term employment in particular jobs in particular locales.

Much the same sort of apparent contrast might be stated for Indians in other regions. Plains Indian bands -- such as the Sarcees and the Blood, have not shown much propensity for economic development so far, despite the fact that some of them are well off in purely economic terms, with large band funds and revenues, valuable and potentially productive farm and range lands, and access to job opportunities in rapidly expanding urban areas. This comparative lack of development, again, may perhaps be attributed to values of the tribal cultures, which again were based on mobile hunting and trapping.

Among the most highly developed bands are Lorette, of Huron background, and several of Iroquois background -- notably the Six Nations, and Tyendinaga in Southern Ontario and the Caughnawagas in Quebec. The Iroquois, as well as the Hurons, lived in fairly settled communities and were developing an agricultural economy prior to contact with Whites. They also served as middlemen between the Europeans and the nomadic trapping bands when the fur trade was in its heyday. A more likely explanation of their economic development than these factors in their background, however, is their history of residence among and business contact with Whites in the course of the fur trade in earlier times and since then in relatively prosperous farming and diversified industrial communities.

While broad comparisons of this kind can be made to yield some crude explanation of differential development, it would be difficult to come to any precise conclusions as to the effects of the factors in tribal culture and history on economic development. Even intensive research could attribute only hazardingly values and behaviour patterns to sources in earlier cultural history. The differences in degree of development among different bands within a cultural or language group are frequently wider than among the latter. For instance, Walpole Island, one of the most advanced bands in Southern Ontario, is a Southern Ojibway Band, but so also are some of the most depressed and undeveloped bands in this region, as brought out by Dunning and others. One can point to dozens of such contrasts across the country.

It would seem more fruitful, therefore, to focus on variables concerning types of interaction and relationships of Indians with Whites, rather than on the earlier tribal cultures.

2. Cultural Revival

The role of cultural revivals in encouraging or impeding economic development is a subject of some controversy.

One school of thought tends to look upon such phenomena as expressions of defeatism or retreat. These attempts to find a new source of security and meaning in life are necessarily futile, some say, because the whole base, material and otherwise, of the tribal culture has been destroyed, while the values and behaviour patterns generated by participation in attempted revivals render individuals that much less able to participate effectively in a modern economy.

As against this view, it is held that such cultural revivals may be necessary in many cases for rehabilitation and economic development. By gaining a new pride and sense of identity, Indians may lose apathy and defeatism, and acquire the confidence to participate in the world around them and compete on a more equal basis.

From the limited evidence that comes to hand from this research survey, it would be impossible to prove or disprove either of the above propositions; either could be supported. Communities in which there is a great deal of revivalist activity seem to represent both advanced and backward economic status.

Two distinct patterns of economic development and integration may have different implications for the success of revivalist or of any perpetuative activity. One pattern of economic development is that in which a large and growing proportion of the band members become full-time wage and salary earners in enterprises outside of the reserve. In this situation, particularly if the reserve is part of a large urban community, it is difficult for the band to retain a distinct tribal culture. Another pattern is one resting on a more diversified base of farming, business and industrial enterprises and professional services within the community, as well as outside wage and salaried employment. Here, as in the Six Nations, economic development may even provide some of the means for sustaining the revival of various aspects of the traditional culture, and may give the band the means for resisting and surviving encroachments from outside.

There are other distinctively Indian aspects of band life that do contribute to economic development. The band's rights in hunting and fishing provide an important source of food supply, and therefore real income to many bands. Various tourist attractions, ranging from colourful pageants down to the sale of handicrafts provide a variable source of extra income.

Some of the most advanced Indian bands are also those which had highly developed art forms in their tribal cultures. A revival and expansion of such art might well be a supplement to economic development of a band that had other main sources of income,

In general, one gets the impression that the many and varied ceremonies organized by Indian bands across the country generally constitute a positive factor contributing to economic development. Particularly is this the case where Indians take the initiative, and where Whites are spectators or participants. There are innumerable forms of these occasions such as sports days, regattas, stampedes, dog sled races, salmon barbecues and the like. One might add that model Indian villages and handicraft displays serve something of the same purpose.

3. Kinship Ties and Obligations

One of the most widely observed factors in economic development, generally held to be negative in its effects, is the obligation of the individual to his kinship group. In most tribal and peasant societies, a fairly wide kinship group is the basic unit of organization, economic and otherwise. It defines the role and status of the individual, and provides him with some degree of security; that is, in terms of a right to minimum subsistence and other prerequisites in times of need. The mutual ties of rights and obligations act as deterrents to economic advancement in an industrial society. The individual's mobility may be reduced, for one thing, as he may be reluctant to sacrifice his security by moving to centres of job opportunity elsewhere. Where an individual does advance himself, through wage employment or successful entrepreneurship, the claims of his kinfolk may reduce his standard of living and his capital.

This sort of pattern is conspicuous and therefore easily and frequently observed by outsiders. On the other hand, kinship ties among many groups are a source of support and economic advancement for individuals and the group generally, where capital is pooled to finance a profitable enterprise, or to provide higher education for more promising students.

The more parasitic aspects of kinship were probably reinforced in the past by the dependency of the reserve system. This has led to important changes in social welfare or relief policy to free the individual and his immediate family from the burdens of supporting other kin, and thus encourage their independence and ambition to better themselves.

The role that kinship plays in economic development of Indians across Canada would be extremely difficult to establish. One can point to numerous individual case histories to illustrate economically deterrent effects, because these are the cases that come to light, of individuals who have failed to keep their jobs, or lost them through drinking, and who blame their troubles on their relatives. And at the other end of the pole, another conspicuous person is the economically successful worker or independent proprietor who appears to have severed his ties and become more or less socially isolated and resented by his relatives and friends. Or again, in some cases, a minority of well-paid, steady employees in the band appear to have become a separate clique -- perhaps the beginning of a new economic élite that will establish new patterns of kinship and social relations in the community, as a by-product of and step towards further economic advancement.

On the other hand, there is much that is not evident and known, and that would require further research. Of the dozens of relatively successful Indian business and professional men across the country, was their success achieved despite kinship ties and obligations, or was the support of kin an essential first step? To what extent have numerous business failures among Indians been due to such obligations? And to what extent do other business successes depend on the pooled resources of relatives?

One reasonable, though unproven, conclusion is that the persistence of widespread kinship obligations among Indians, as among other depressed and dependent low-income groups, is a result, rather than a cause, of poverty. Much the same conclusion might apply to the high rate of growth of the Indian population and of its dependence on welfare.

4. Quality of Leadership

One would expect that Indian bands with able and intelligent leaders would be more economically advanced than those with less able ones. To provide some opinion on this issue, the questionnaire circulated by the Economic Development Division of the Indian Affairs Branch asked agency personnel to classify the band leadership in one of five categories: (5) High Quality; (4) Quite Positive; (3) Moderate; (2) Seldom; (1) No Evidence of Leadership.

Outstanding examples, of course, can be pointed out to show the tangible results of strong leadership. The council of the Kamloops Band moved to call in a firm of outside consultants to advise them on the most effective use of their reserve land. A plan was submitted calling for an industrial subdivision to lease to outside business interests. The plan was instituted, and in recent years several dozen firms have established themselves and provided many new job opportunities for band members. Over the past ten years, in brief, there has been considerable economic development by any measure of the term, and one could attribute it at least partly to progressive leadership.

However, from data made available from the Resources Questionnaire, there does not appear to be any high degree of correlation between the quality of leadership (as identified with the band council and chief) and the degree of economic advancement of the band members for several reasons.

- (1) In their responses to the Resources Questionnaire, the judgments of agency superintendents or of anyone else on the quality of leadership would tend to be subjective and to vary from one agency to another. "Positive" may be interpreted as "cooperative" (with the superintendent) and the policies followed by the latter are not necessarily conducive to economic development, particularly if there is opposition from the band membership.
- (2) In many instances the band chief and council are often not the real leaders in the community. These latter are often pictured as some older members of the community -- or sometimes business proprietors -- who, though not elected to council, have wide influence and make or break a program..
- (3) In some cases, particularly in an advanced band in which a high proportion of the members is employed in outside wage or salaried employment

or have time-consuming farms or businesses to look after, only the underemployed or less successful band members have the time or inclination to serve on the council.

- (4) In some of the most economically advanced and integrated bands, the band council may cease to serve any meaningful purpose, as the band ceases to function in any real sense as a distinct and separate entity in the larger community. This appears, from limited evidence, to be the tendency at Lorette. Its leadership is classed in the questionnaire as moderate though a number of individual band members have achieved notable success in industry and professions.

This raises an important question in terms of long-range policy. How much emphasis should be placed on encouraging greater strength of leadership, participation in and delegation of functions to the band council? Where the band represents a community with a diversified resource base, and a strong urge to cultural revival and separatism, as with the Six Nations, strong emphasis would seem justified. But where the path to economic development seems to lie in closer integration with the White community and greater dependency of band members on paid employment and migration away from the reserve, the band council's importance seems bound to decline.

5. Organizational Activity

Numerous sociological studies of communities, and of income groups and classes have established a high degree of correlation between organizational activity and economic advancement. Generally speaking, the higher the income and status of individuals or occupational groups, the larger the number of organizations they belong to or participate in, and there is a similar differentiation of communities with regard to membership and participation per capita.

One would expect this to be broadly true of band communities. One of the major deterrents to economic advancement of Indians is their widespread anomie, the attitudes of apathy and alienation that lower the levels of energy and interest and lessen the capacities for individual success in economic and other activities,

The Resources Questionnaire includes one question asking agency superintendents to list the number and types of organization in each band community. The results are listed in Table XVII below. Again, the sample thirty-five bands are ranked according to per capita real income from gainful employment, and alongside these are listed in the first column, the number of organizations in the community, and in the second column, as one rough index of intensity or degree, the number of band members per organization (i.e. the smaller the number, the more organized the community).

There are obvious limitations to the question as stated and the resulting data. For one thing, the answer simply indicates the number existing without indicating how many members an organization has, or what proportion of the total band membership participates in each organization, or how intensively they participate. Also, one would logically expect to find proportionately more organizations, the larger the total membership in the band and the more diversified its economic base, quite apart from the average per capita real income of the bands themselves. Or, to put it another way, with regard to degree of organization, a band with a small population and one or two organizations, might show a higher degree of organization than a larger band with several organizations, but the numerical relationship or proportion would not tell very much by itself. The data presented in Table XVII show a statistically significant (.48) degree of correlation between numbers of organizations in each band, and average per capita income of members, but this may be influenced mainly by the fact that the higher income bands are, on the average, considerably larger than the low income bands. There is no evident correlation with average number of people per organization.

In particular kinds of situations, however, there is a significant relationship between the two variables. A large but economically depressed and dependent band such as Norway House or Cross Lake in Northern Manitoba has fewer organizations among its members than an economically more developed band

TABLE XVII

ORGANIZATIONS IN BAND COMMUNITIES

Band	Per Capita Income	Number of Organizations	Average Number of People Per Organization
Skidegate	\$1252	13	24
Caughnawaga	793	8	365
Walpole Island	715	15	77
Sheshaht	664	7	38
Lorette	630	2	277
Squamish	630	7	125
Tyendinaga	516	10	94
Curve Lake	350	7	60
Six Nations	350	12	
Mistassini	341	0	0
Dog Rib Rae	332	3	92
Masset	336	n/a	n/a
Port Simpson	325	8	124
Kamloops	314	7	102
Sarcee	302	7	35
Fort William	298	8	43
Williams Lake	291	3	91
Moose Factory	284	2	88
Fort Alexander	255	10	n/a
River Desert	250	2	250
St. Mary's	249	5	60
Attawapiskat	247	1	698
Pointe Bleue	222	4	32
Tobique	215	9	117
Pikangikum	197	4	94
Shubenacadie	180	4	99
Oak River	176	0	0
Rupert House	174	0	0
Cold Lake	165	8	76
Fort St. John	161	0	0
Deer Lake	156	9	74
The Pas	140	6	127
James Smith	126	6	128
Peguis	99	9	184
Big Cove	61	4	174
Piapot	55	0	0
Coefficient of Correlation with Per Capita Income		.48	.06

with fewer members, such as Walpole Island or Tyendinaga in Southern Ontario, or Kamloops in British Columbia. The most economically depressed bands --such as a marginal farming community like Piapot, Saskatchewan, or some of the more isolated hunting and trapping bands that have become almost entirely dependent on relief -- appear to be almost completely without organizations, and do not constitute a community in any meaningful sense. This is also true for some of the more dependent bands in other areas, such as one of the Southern Ojibway studied by Dunning -- people he classed as a collection rather than a community.

On the other hand, the same tendency may also arise as a by-product of economic development and integration in some cases, as with leadership. Lorette again provides an interesting example. While one of the most economically developed bands in the country, it is marked by few organizations. Where sufficiently integrated, members of the band may cease to regard themselves as a distinct community with separate organizations of its own and participate rather as individual members of various outside organizations.

This question, of course, has considerable relevance -- taken in terms of priority of effort -- for the community development programs now being launched by the Indian Affairs Branch and several provincial government agencies.

6. Participation in Outside Organizations and Activities

While there are limits to the correlation of economic development of Indians and organizational activity within a band community, for reasons noted above, one would reasonably expect a more positive correlation with participation in organizational activities in the outside White community, for, as noted in the latter, there is a high degree of correlation between income or economic status and participation in such activities.

The data available from the research are rather fragmentary on this point. Answers to the Indian Affairs Branch questionnaire on organizations, described briefly above, do not in all cases indicate which ones within bands are branches of outside organizations in which Indians participate with Whites, and which ones are confined to the band membership itself. Nor do they indicate how or in what capacity Indians participate -- desultorily; passively; actively and enthusiastically; as opposition minorities; indiscriminately as members of other groups or cliques, including Whites; running for office, and being elected or appointed to positions of responsibility; and so on. Reports by agency superintendents and other observers vary widely in the detail and insight brought to bear on these questions.

Again, there are all sorts of more informal or less structured, but fully as important, types of participation by Indians in activities organized by Whites or jointly organized with them (e.g. dances and other social or recreational activities; athletic contests; baseball or lacrosse games) which are not easy to quantify and measure in a comparative survey of this type.

From the limited data available and from reasonable inference from observable facts, however, there appears to be a positive correlation between economic development of Indians and their participation in organized activities outside of the reserves. At the one extreme are the isolated and depressed bands, which are precluded from such participation by their very location. Again, among the more depressed bands in closer physical proximity to White communities, social isolation seems to go hand-in-hand with underemployment and dependency. At the other end of the pole, among the more highly developed bands are those with a large proportion of members engaged continuously in organized White activities. Regular wage or salaried employment in White-owned and—staffed establishments, of course, is itself a highly important type of participation. Beyond this, Indians in the more remunerative types of employment generally belong to trade unions, because such types of employment tend to be highly unionized, some of them coming under closed shop or union shop agreements (e.g. high steel work; other types of construction work on major projects and in main urban centres; factory work in Ontario; longshoring and stevedoring; logging and sawmilling with larger operators and in larger cities and towns; fishing and cannery work in British Columbia; and so on).

Among bands having a more diversified economic base, particularly farming, the picture may be more mixed. If the reserve is at some distance from any city or town, there may be little or no participation in outside social or recreational activities. On the other hand, even here such participation tends to be correlated with comparative degree of economic development. Generally it will be only the better Indian farmers or ranchers who participate with Whites in stockmen's associations, marketing cooperatives, and the like, for membership participation in such organizations usually requires having something worthwhile to raise and to sell.

Even those relatively developed bands where there are strong drives towards cultural survival or revival and resistance to integration, probably show a relatively high degree of participation in outside activities. Such is the case, for instance, among the Caughnawaga, with their membership in construction workers' unions; or among a minority in the Six Nations Band employed in various unionized industrial establishments in and around Brantford and other

nearby industrial communities. Further study might show that minorities within a large band of this kind participate in a variety of other outside organizations besides trade unions (e.g. 4-H Clubs, Boy Scouts, Canadian Legion, Athletic Clubs). Such participation is not necessarily inconsistent with maintenance of the Long House religion, resisting further integration in the schools, or refusing to participate in the P.T.A.

There is one final, and perhaps obvious, point in this connection. Frequently, in Canada and the United States, active efforts by members of various ethnic minorities to join and participate in organizations controlled by the majority group have been resisted by the latter. Various minorities have been accused of being too insistent. This reaction is frequently interpreted as being generated, among members of the majority group, by feelings of insecurity arising from fear of competition. The minority group's drive to join and be accepted is interpreted as striving for economic advancement or higher social status and recognition for economic gains already achieved (sometimes by dubious means).

The vast majority of Indians, obviously, do not fit into this picture. Their most apparent problem is passivity and unaggressiveness. Where there is a high degree of participation in outside activities, therefore, in most cases it indicates an unusual degree of active encouragement (or in a few cases, as with union closed shop agreements, actual compulsion) from the White majority.

Fully as important as the more formal, organized and official activities or policies of the White majority are the more informal or spontaneous attitudes, expressions and behaviour patterns of those Whites with whom Indians come into contact in various facets of life.

A couple of examples seem to bring this out graphically. The Kamloops Band has achieved considerable advancement in recent years through outside counselling in a planned program of leasing tracts of reserve land to industrial enterprises that provide job opportunities for band members. The improvement has been paralleled by the formation of an organization called the Mika Nika Club which was formed among businessmen and other White citizens of the Kamloops area, with participation of representative Indians, for the express purpose of improving the economic and social position of Indians in the area.

Less spectacular in terms of concrete measurable gains, but significant nonetheless, have been relationships in economically marginal areas such as the Pemberton Valley in British Columbia. Farming in the area for Whites as well as Indians has been declining. A majority of the Whites as well as Indians are engaged in wage work, in seasonal logging and construction jobs. A minority of the Whites residing at any one time in the valley are briefly employed transients. The main organizational activities in the area are controlled by a small élite of modest means, drawn mainly from the older resident families, mostly farm owners who are also part-time workers in other industries, and a few business and professional men. This group go to unusual effort to encourage Indians to participate in a variety of joint social, recreational and educational activities, while maintaining informal relations. Their efforts appear to have met with considerable success despite the generally unfavourable economic environment, as well as the fact that the Indians (a majority of the population) are Roman Catholic in religious affiliation while the Whites are predominantly Protestant or unaffiliated. Undoubtedly there are a number of developments of this kind favourable to the future economic advancement of various Indian bands across the country.

By contrast, one can point to many cases of some of the most depressed, idle and dependent Indian bands located in close proximity to booming cities and towns that should offer manifold job opportunities. In such cases, lack of participation in White-controlled economic and other activities seem to go together, coupled with self-reinforcing attitudes on both sides. The majority of Whites with whom Indians come into contact make it clear that they regard them as shiftless and unemployable, and the reactions of Indians tend correspondingly to be distrustful and apathetic or contemptuous and hostile when under the influence of alcohol.

One widely quoted example of such relations appears to be the booming town of Kenora, Ontario. One ridiculous phenomenon brings out graphically two different definitions of the situation. In Kenora White residents tell, by way of illustrating how disgusting or degraded Indians can be, how they've seen drunken Indians, women as well as men, urinating on the street. More sophisticated observers have pointed out that for many Indians who periodically visit the town, virtually the only places where they can feel at all welcome and sit down to rest are a few beer parlours in the sleazier part of town. Sometime later, after shopping or just walking around to see the sights, nature takes its course. But the other parts of town are so unfamiliar or unfriendly to Indians (even to the point of prohibiting them from using toilets in beer parlours or restaurants), that they cannot find any place where they can urinate other than the street!

7. Social and Personal Disorganization

A widely accepted popular explanation and perhaps one that is valid, for the failure of individual Indians and bands to develop economically, could be lumped under the general heading of personal disorganization. Under this heading would be included the various combinations of attitudes, behaviour patterns and limitations of character and personality that prevent the individual and the group from making an effective adjustment to, and participating successfully in, the larger society, with consequent economic deterioration, dependency, and demoralization. Behaviour patterns widely attributed to Indians as proof of personal disorganization are those of drunkenness, sexual promiscuity, shiftlessness or laziness, irresponsibility, neglect of family, and the like.

Personal disorganization, where it does follow similar patterns among large numbers of a particular ethnic or cultural minority, presumably arises from a failure of the minority group to adjust to the dominant culture.

Social disorganization, however, does not or should not necessarily mean that there will be a high incidence of personal disorganization. Presumably, social disorganization is unavoidable in the process of economic development in so far as it involves transforming a culture and social organization based on a relatively static, localized subsistence economy into one that is dynamic, high-income, large-scale and complex in its operations. Presumably, then, relatively developed, high-income bands are those which have made the transition successfully. The low-income bands are assumed to be those which have failed to make the transition successfully. Presumably they fall into two categories:

- (a) Those which have retained, in large part, the economic patterns of an earlier adjustment, and remain in a static subsistence economy. For example, the Dog Rib Rae and Old Crow Bands remained until recently largely self-sustaining, mobile hunting and trapping groups.
- (b) Those bands which have pretty well lost or abandoned their earlier means of livelihood but failed to become engaged in new types of employment that provide an adequate livelihood. In this sort of situation, social disorientation tends to be accompanied by personal disorientation. This in turn tends to create a self-perpetuating poverty cycle.

Over the economy as a whole there is no simple direct correlation between poverty and the indices of social and personal disorganization. In fact, numerous statistics since World War II seem to indicate almost the reverse in the United States, Canada and a number of other economically developed countries. Over the past two decades of unprecedented economic growth and rising per capita incomes, the incidence of delinquency and crime, alcoholism, divorce, desertion, illegitimacy, mental breakdowns, and other social and personal problems has also been rising, particularly among higher-income working class and middle class groups.

Nevertheless, it does seem to be true that in a rapidly growing affluent society, poverty, where it occurs, tends to have more demoralizing effects on individuals and groups than it would in a context where most people are poor. This demoralization in turn renders people that much less able to fit into the

economy and reap an adequate share of its benefits. The special problem of the "hidden poor" has become one of the most widely publicized issues of the present day. Native Indians account for a disproportionate number in this category.

It was found impossible to make any sort of accurate or meaningful comparison among Indian bands, or to find any meaningful degree of statistical correlation between indices of social and personal disorganization on the one hand, and the degree of economic development on the other. The main reasons are:

- (a) The reports on the basis of which statistics can be derived regarding such indices are often very subjective and vary widely;
- (b) Administrative policy, on the basis of which other statistics are derived, also varies widely from province to province and community to community; and
- (c) Various indices of disorganization seem to be as large, or larger, among high-income developed bands as among the lower-income bands.

To give some examples:

The Indian Health Services has been attempting to develop an adequate statistical reporting system on the basis of which it can allocate its personnel and services more efficiently. One attempt in this direction involved having its nurses fill in a fairly detailed annual report on Indian communities across the country, dealing with such matters as housing, nutrition, sanitation, incidence of various types of illness, drinking, and other social and health problems. Some of the items are listed by degree: for instance, the incidence of drinking in a community is classed as "good", "fair", "poor" and "extreme", one of which the rapporteur is to underline. Obviously there might be wide differences in judgment between nurses coming from different types of background.

In any case (as the voluminous literature on alcohol research has brought out) there is a wide variety of drinking patterns among people, and the same amount of drinking can have widely differing effects upon the health, employability and earning capacity of individuals. Among Indians, as among Whites, heavy drinkers include the economically most successful as well as the most poverty-stricken and dependent. Thus in the nurses' reports, for instance, Caughnawaga is classed as a heavy drinking band, on a par with the most disorganized and poverty-stricken communities in Saskatchewan or New Brunswick.

Again, official statistics regarding arrests and convictions of Indians for crimes and misdemeanours face the essential limitation that police, as individuals, vary widely in their interpretations of the law and their strictness in enforcing it, as do local magistrates or judges in making convictions. And the laws themselves vary considerably from province to province.

Such limitations seem to apply to most or all of the other indices of personal disorganization and render any adequate comparison among the sample bands all but impossible. One index that might be taken as a measure of disorganization is the rate of illegitimacy. Table XIX below shows the percentage of unmarried mothers of total mothers in each band, with the bands ranked according to per capita real income. Here again there appears to be very little, if any, correlation. There seems to be an equally wide range in illegitimacy rates among high-income and low-income bands.

Thus the present conclusions are based on rather impressionistic reports from agency superintendents and other sources which supplement the statistics that are available. These give the following broad picture:

- (1) The most developed bands appear to have a lower incidence of personal disorganization than do most Indian communities. On the other hand, such bands appear to show a higher rate of disorganization of particular kinds. For instance, Caughnawaga and Nimpkish are reputed to have particularly high rates of male juvenile delinquency, especially for theft and property damage. In the former band much of this is blamed on the prolonged absence of fathers from their families, due to the nature of

TABLE XIX
UNWED MOTHERS

Band	Unwed Mothers as Per Cent of All Mothers
Skidegate	90
Caughnawaga	2.0
Walpole Island	113
Sheshaht	5.3
Lorette	Nil
Squamish	10.1
Tyendinaga	5.0
Six Nations	9.1
Curve Lake	12.2
Mistassini	1.1
Masset	24.4
Dog Rib Rae	14.3
Port Simpson	16.1
Kamloops	22.8
Sarcee	13.2
Fort William	13.6
Williams Lake	27.5
Moose Factory	10.3
Fort Alexander	n/a
River Desert	10.7
St. Mary's	11.4
Attawapiskat	11.0
Pointe Bleue	1.2
Tobique	9.5
Pikangikum	4.6
Shubenacadie	15.7
Oak River	5.7
Rupert House	7.2
Cold Lake	83
Fort St. John	35.5
Deer Lake, Ont.	2.3
The Pas	8.4
James Smith	7.8
Peguis	12.5
Big Cove	6.4
Piapot	9.5

their work. In the latter, it is blamed on a minority of less successful families, in a community that also has a minority of unusually successful proprietors in the fishing industry. Juvenile delinquency of this kind may be an expression of aggressiveness and frustration that is associated with economic development, in contrast to the apathy and resignation of the more impoverished bands.

- (2) The least developed bands, the more isolated and dependent, likewise appear to have a lower than average incidence of personal disorganization. Perhaps it would be more accurate to say that personal disorganization is less evident and is not expressed so much in the forms that come to public attention and become recorded statistically. The actual problems are probably more those of idleness, low income, dependency, overcrowding, malnutrition and poor health, with consequent attitudes of apathy and indifference.
- (3) The communities which appear to have the highest incidence of personal disorganization are those in which there is access to White communities and considerable inter-action at certain levels with Whites. Some of these are long established, others were relatively isolated until new economic development brought a sudden influx of Whites with money to spend and invest.

More specifically, personal disorganization among Indians seems most apparent in those communities in which (1) there is a lack of encouragement or opportunity for Indians to participate in meaningful White-controlled activities, and/or (2) where the community does not have the means for developing a more or less satisfactory and functioning cultural base of its own (as most Iroquois Bands in Southern Ontario have done, for instance). In such situations, the only points of contact between Indians and Whites are in centres of disorganization, and with the more disorganized Whites. Hence, the familiar picture of Indians on Skid Road in major urban and metropolitan centres; drinking excessively in the sleazier bars and beer parlours; bootlegging; pimping, prostitution and panhandling in boom towns with large numbers of transient Whites; and so on.

This over-simplified and somewhat obvious picture suggests two broadly different foci of emphasis in any general program of economic development for Indians.

- (1) A community development program, as such, would seem most needed, and most likely to bring tangible results in Indian communities in the third category above, which have access to potential job opportunities or other economic benefits, but which are unable to take advantages of such opportunities because of social and personal disorganization. Such community development, however, would have to focus on Whites as much or more than on Indians.
- (2) In the isolated, undeveloped type of band, where the population has outrun its means of livelihood using traditional techniques, the main priority would appear to be economic development rather than community development as such; that is, the most immediate and pressing needs are training band members in new techniques for utilizing resources more effectively, or getting jobs elsewhere; provision of capital, materials and equipment for developing new sources of employment; inducing and facilitating migration of band members to other, more economically viable areas. Community development by itself would not seem the appropriate program to begin with until the members of the community have something tangible to develop and work for to support themselves on.

8. Religious Affiliation

A notable group of economic historians and sociologists has delved into the relationships between different religious beliefs and affiliations, on the one hand, and economic development on the other.

These scholars found a positive correlation between economic growth and religious affiliation, or, more specifically, between the rapid rise to economic dominance, in recent centuries, of predominantly Protestant Northwest Europe as compared to predominantly Roman Catholic Southern Europe. In Canada this is paralleled by the more rapid economic growth of English-speaking and Protestant Ontario as compared to French-speaking Catholic Quebec, and the dominant control of industry, commerce and finance in the latter by a relatively small English-Protestant minority. (Note: The correlation in Europe appears to have broken down since World War II. Predominantly Catholic Italy, France and West Germany achieved far more rapid economic growth during the 1950's than did the predominantly Protestant Great Britain, Canada, or the United States.)

The explanations offered lay in differences in religious doctrine, and the effects these have had upon attitudes and actions of individuals in coping with their economic problems. The Catholic Church is pictured as being essentially authoritarian in structure and other-worldly in outlook. The emphasis on dogma may tend to encourage attitudes of submissiveness, and discourage individual initiative and a spirit of scientific inquiry. Where an ethnic minority is predominantly Roman Catholic in a largely Protestant or secular environment, the church has tended to encourage a policy of cultural and religious separatism that keeps members of the minority economically depressed.

Protestantism, especially of the Calvinist or Puritan variety, by contrast, from its origin as a revolt against established church authority, has

tended to encourage a spirit of aggressive individualism which conduced to economic success. The Puritan Doctrine has been interpreted as sanctifying hard work, and measuring virtue by the accumulation of material goods. The Puritan condemnation and restriction of drinking, gambling, games and frivolity has been favourable to capital accumulation and economic success.

These theories were perhaps more appropriate to the eighteenth and nineteenth centuries than to the twentieth. In the earlier stages of industrialization, in an era of predominantly small-scale enterprises owned and operated by individual proprietors, the road to economic growth and success did perhaps depend primarily upon such qualities as thrift and abstemiousness conducing to a high rate of personal saving and capital accumulation. In the modern era of large-scale enterprise and mass consumption, however, in which the major capital accumulations and investments are carried out by business firms rather than individuals, and in which the overwhelming and increasing majority of the gainfully employed are employees rather than owner-operators, the main incentives to hard work and productive effort would appear to be those of consumption (particularly of durable consumer goods and services in the status symbol category) rather than those of individual saving, ownership and capital accumulation. To a considerable extent, therefore, economic growth and productive effort may be stimulated by motivations that are almost the reverse of those extolled by Puritan doctrine -- that is, by social standards that induce a high rate of wasteful consumption, which require correspondingly high incomes and for job security. At any rate, the highest income, most economically developed nations today are characterized by high propensities to consume, and large savings and capital accumulations in the aggregate are determined essentially by the overall levels of income and demand, rather than by the inclinations of individuals to save. (Indeed, as the outstanding economist, the late J.M. Keynes pointed out, a too high propensity to save, and a correspondingly low propensity to consume, tends to be a deterrent to economic growth and, paradoxically, therefore, to reduce the potential level of total savings and investment in a national economy.)

For these reasons, among others, therefore, as noted above, in recent decades differential roles of economic growth among various nations and regions do not appear to have any meaningful correlations with religious differences, at least as between Catholic and Protestant populations.

Some of the above generalizations would seem to apply to numerous Indian bands examined in this study. As brought out in Chapter IV above, the highest income, most economically developed bands are characterized by a high proportion of wage earners rather than proprietors in the adult work force, and by relatively high expenditures on expensive consumer durable goods (e.g. electricity and household appliances) rather than on individual revenue-producing capital. And, as brought out below, there appears to be little, if any, correlation with Catholic or Protestant religious affiliation among such bands.

It would be dangerous, of course, for reasons pointed out earlier, to draw too close an analogy between entire nations or regions on the one hand, and small scattered bands on the other. It is possible that there are other ways than those discussed above in which religious affiliation may affect the economic growth of Indian communities.

The earlier generalizations are frequently put forward, in an even more simplified form, as a major factor accounting for the economic backwardness of Indians generally, and for the marked unevenness in economic and educational development among various groups of them in Canada. The churches were allowed by government to have a degree of authority and control over education and social life in Indian communities, far greater than in any White communities (with the possible exception perhaps of Quebec). In the administration of Indian affairs, certainly, until recently, there was not the separation of church and state that is taken for granted outside of Quebec.

The Catholic Church has been generally the most separatist in its policy towards Indians. It has maintained separate schools and resisted integration in secular schools. It has tended to discourage migration from reserves, or other forms of participation of Indians in White-controlled activities, where the band is predominantly Catholic in a predominantly Protestant or secular environment. The Anglican Church has operated with the same goals, to perhaps

a slightly lesser degree. The United Church and its antecedents have generally been much less separatist in announced policy.

To the extent that religious beliefs and affiliations have any tangible effect upon economic motivations and activities, one would expect, therefore, other things being equal, to find unequal degrees of economic development among Indian bands and individuals, depending upon their religious affiliation.

The broad picture at first glance appears to support the view that bands that are predominantly Roman Catholic in affiliation are, in most cases, economically more backward than those that are Protestant -- and further, that those predominantly Anglican are more backward than those predominantly United Church. As may be seen from Table XX below, of the fifteen bands in the sample having average per capita incomes above \$300, six are predominantly Roman Catholic in affiliation, two are Anglican, four are United and three are mixed. Of the twenty-one bands having average per capita incomes below \$300, thirteen are Roman Catholic, six are Anglican and two are United in affiliation.¹ Or, again, of the seven lowest per capita income bands in the sample, three are predominantly Roman Catholic, three are Anglican and one is United Church. On the other hand, of the seven highest income bands, three are predominantly Roman Catholic, two are United, one is Anglican and one is mixed. Other variables enter into the picture, however, so that no very valid conclusions can be drawn from these facts alone. Important among such variables are:

- (a) location, and
 - (b) cultural background.
- (a) By and large, Indian bands that are predominantly Catholic in affiliation are for the most part in less advantageous locations for economic development. This applies particularly to the large number of bands in the more isolated or inaccessible northern interior regions of the country, who depended mainly on a nomadic trapping, hunting and fishing economy for their livelihood (as well as most bands in the Maritimes). This concentration, in turn, dates back to the earliest days of the fur trade. Under the French regime, whose economy rested on the fur trade, Catholic missionaries with the full power of the Crown supporting them, followed close on the heels of, and frequently led, the fur trader and voyageur in contacting and converting Indians. The English (and presumably English Protestant Churches as well), by contrast, in the fur trade tended to operate from established bases and deal with certain more advanced or prosperous tribes (notably the Iroquois) as middlemen, rather than reaching out to the source of supplies among the more marginal hunting groups.
- Industrialization and urbanization developed rapidly in Canada during the latter nineteenth and early twentieth centuries, but mainly in the southern belt of the country, and under predominantly English-speaking and Protestant control. Indian bands converted, to Protestantism were thus generally in a more favourable location for economic development.
- There are two or three notable exceptions to this general picture. One is the Lower Mainland area of British Columbia. It is by far the most highly urbanized and industrialized area in the province, accounting for almost one-half the population. The Indian bands in this area are predominantly Catholic in affiliation, and are, on the whole, also economically better off than the vast majority in other parts of the country. Other notable exceptions are the Caughnawaga and Lorette Bands, both predominantly Catholic, in metropolitan Montreal and Quebec.
- (b) The location variable presumably could be eliminated if Indian bands having comparable economic advantages (in terms of control over arable farmland; transportation facilities and access to urban communities offering comparable job opportunities) were found to differ appreciably

¹A band is classed as "predominantly" in a category where two-thirds or more of the band members are of one faith, and "mixed" where no one church has two-thirds or more of the members.

in per capita incomes and if these differences coincided with differences in religious affiliation.

Here, however, the other variable tends to enter in, namely, differences in cultural background that may affect economic performance up to the present day. Differences in religious affiliation tend to coincide with differences in language or culture. As noted earlier, there seems to be a substantial difference in degrees of economic development, despite roughly equal or comparable economic advantages, between the Tsimpshians and the Carriers in northern British Columbia from Prince Rupert east to Prince George. The Tsimpshian Bands are predominantly Protestant, while the less-developed Carrier Bands are predominantly Catholic in affiliation. It seems impossible at this point, however, to define and measure which variables are dominant in affecting the differential rates of growth.

Possibly both of these other variables could be eliminated, and the effect of the religious factor measured, if a number of bands could be chosen that belonged to the same language or cultural group, and that were similarly situated with regard to economic advantages. This would seem possible, however, only among those language groups that were based on a mobile hunting economy, and which today have many bands scattered over a large territory. This is notably the case with the Crees, and to a lesser extent, the northern Ojibways. Even in this case, however, it is likely to prove difficult to find anything definitive -- for the vast majority of bands among these groups are today in much the same circumstances regardless of religious affiliation. Their main problems are the familiar ones of over-population relative to resources; poverty and dependency; limited education and training; coupled with isolation from centres of job opportunities. From a brief survey of Indian band communities in Northern Manitoba during the summer of 1962, the general picture that emerged was that there were no significant differences in economic status coinciding with differences in religious affiliation. Among the minority of Cree or northern Ojibway Bands located within reasonably close access to urban communities, on the other hand, it is difficult to find samples that differ in religious affiliation that are at the same time really comparable in economic advantages, for, over a wide area, urban communities of roughly comparable size often differ widely in job opportunities. On the other hand, there appear to be just as wide differences among bands of the same religious affiliations as among those with different affiliations -- as is true of bands within the same language groups.

One obvious limitation in any attempt to measure the religious factor in economic development by means of a broad, comparative statistical survey is that it measures only the quantitative, not the qualitative, aspect. All that a statistical survey can show, with regard to religion, is the affiliation of band members. The more important effects of religion upon economic performance, however, would depend upon the intensity of religious faith and belief, the degree to which individuals have internalized religious values such as to affect significantly their attitudes and actions in the workaday world. Affiliation, as such, tells us little. Among Indians as well as Whites, many churches in nominally Catholic or Protestant communities remain practically empty every Sunday.

More important may be the deterrent effects which religious affiliation may have upon activities contributing to economic success. As noted earlier, the Roman Catholic Church has discouraged Indian parents from sending their children to secular schools, as well as discouraging migration from Indian reserves. This educational policy may well serve to reduce the level of educational attainments among Indian Catholics, and to the extent that economic advancement depends increasingly on education, this may affect their future economic well-being adversely.

All this is by way of speculation, however. An attempt is made, in Table XX below, to provide some statistical measurement of church influence upon or relationships with various aspects of Indian life discussed above. The table presents data for the sample 36 bands, concerning per capita income, rates of natural increase (as measured roughly by percentage of population under the age of 16), mobility (as measured by percentage of band population living off the reserve -- for reasons mentioned earlier, 4 bands were omitted

TABLE XX

RELIGIOUS AFFILIATION AND OTHER VARIABLES

Band	Religious Affiliation		Per Cent Residing Off Reserves	Per Cent Population Under 16 Years	Education		Per Capita Income
	Church	No.			% Grade 9	% 16 in School	
Skidegate	UC	3	18.0	34.5	n/a	n/a	\$1252
Caughnawaga	RC	0	27.1	32.1	4.7	2.1	793
Walpole Is.	AC	1	19.3	43.0	2.9	2.1	715
Sheshaht	UC	3	13.2	51.7	3.6	8.9	664
Lorette	RC	0	41.8	32.8	7.0	7.5	630
Squamish	RC	0	9.9	49.3	3.9	3.3	630
Tyendinaga	M	2	53.8	34.1	2.4	2.3	516
Curve Lake	UC	3	26.3	46.0	2.2	4.9	350
Six Nations	M	2	39.8	37.1	2.8	3.2	350
Mistassini	AC	1	20.0	50.1	2.2	2.0	341
Masset	AC	1	24.7	47.8	n/a	n/a	336
Dog Rib Rae	RC	0	-	42.4	0	0	332
Port Simpson	UC	3	33.0	49.7	2.9	3.6	325
Kamloops	RC	0	20.7	50.2	1.9	3.5	314
Sarcee	M	.5	5.4	49.3	1.6	2.1	302
Fort William	RC	0	24.5	45.0	3.8	6.1	298
Williams Lake	RC	0	11.0	42.8	7.1	8.4	291
Moose Factory	AC	1	19.4	49.7	1.8	5.5	284
Fort Alexander	RC	0	17.7	54.1	n/a	n/a	255
River Desert	RC	0	20.5	36.1	1.8	.4	250
St. Mary's	RC	0	25.6	32.3	3.4	3.3	249
Attawapiskat	RC	0	-	46.6	2.1	10.7	247
Pointe Bleue	RC	0	23.2	40.1	5.3	5.3	222
Tobique	RC	0	29.6	44.7	3.5	5.7	215
Pikangikum	UC	3	-	43.4	0	0	197
Shubenacadie	RC	0	41.6	43.3	.8	1.2	180
Oak River	AC	1	2.3	50.6	0	0	176
Rupert House	AC	1	10.7	50.3	1.8	5.8	174
Cold Lake	RC	0	13.4	50.9	3.7	2.4	165
Fort St. John	RC	0	15.5	50.0	0	0	161
Deer Lake, Ont.	UC	3	-	52.1	0	0	156
The Pas	AC	1	8.8	50.1	0	10.4	140
James Smith	AC	1	3.7	52.2	3.1	5.7	126
Peguis	AC	1	8.0	45.7	4.0	.7	99
Big Cove	RC	0	18.4	54.4	1.3	2.0	61
Piapot	RC	0	13.0	49.4	n/a	n/a	55
Coefficient of Correlation with Religious Affiliation			.14	.02	.22	.01	.28

for this calculation), and educational standards. These are each correlated with religious affiliation (Roman Catholic -- RC; Anglican -- AC; United Church -- UC; and Mixed -- M. Each of these is given a numerical symbol, as indicated, for purposes of statistical analysis; i.e. RC - 0; AC - 1; Mixed -2; UC - 3. Sarcee was given the figure of .5 as its population is 52 per cent RC and 48 per cent AC).

It is readily evident from these data that there is no measurably significant correlation of religious affiliation with any of these variables.

CHAPTER VIII

MAJOR TRENDS AND PROCESSES OF ECONOMIC DEVELOPMENT FOR INDIANS

Indian bands, as the preceding chapters bring out, differ widely in the degree of economic development they have achieved as measured by their per capita real incomes from gainful employment, and there is a wide variety of factors contributing to or impeding such development.

The factors having a high or significant degree of correlation with relative economic development of various bands have been examined and discussed at some length in preceding chapters. They are summarized in Table XXI below, ranked in descending order according to degree of correlation, positive or negative.

It is readily apparent that the most important variables determining the economic status of Indian bands as stressed earlier are those concerning wage or salaried employment rather than resource ownership or development, i.e. proportions of skilled workers, months of employment during the year, and average monthly or annual earnings. These account for seven out of the fourteen variables having a statistically significant degree, as well as the three variables showing the highest degree of correlation with average income.

The second in importance is ownership of household fixtures and appliances, i.e. telephones, indoor toilets, baths and electricity. In one sense this relationship is to be expected, to the point of being obvious. One would expect the highest percentage of households having such conveniences to be found in the highest income bands whose families can afford them. What is more important, however, is that in the bands in which a high proportion of households have such relatively expensive conveniences, and where they have become a required part of the accepted standard of living, band members will be strongly motivated to seek, and keep, the more skilled and better-paid types of jobs offering regular employment.

Three other variables show significant, but lower, degrees of correlation. These are: number of organizations in the band community; educational levels (as measured by the percentage of population educated beyond Grade IX); and rate of population growth (as measured by percentage of population below sixteen years of age). The first two of these are less amenable to precise or accurate measures of statistical correlation, and their relative importance is probably under-estimated in the table.

A. Band Characteristics

In attempting to get a coherent picture, it is perhaps appropriate also to focus on the main features of the seven most developed bands in the sample of thirty-five under study. These are pictured below as more or less oversimplified models or profiles.

(1) Developed

The outstanding features that characterize the more developed bands appear to be the following, in varying combinations:

First (and by far the most important) is dependence upon steady or regular wage and salaried employment; i.e. a large minority, or majority, of adult male band members employed at steady, reasonably well-paid semi-skilled labour, or regularly employed in highly-paid seasonal skilled labour.

Second (and much less important) is degree of urbanization. As opportunities for such wage or salaried employment tend to be concentrated in large metropolitan areas and industrial cities or towns, most (but not all) of the more developed bands are located within, or close to, such centres. It is readily apparent, however, that some notably depressed and under-developed bands are similarly situated while some relatively developed bands are non-urbanized in the above sense.

Third (and perhaps more important than degree of urbanization or accessibility) is degree of mobility, in terms of the proportion of band members willing or able to reside away from their reserves for extended periods or permanently. This is a characteristic of all the relatively well-developed bands with the exception of those in which most of the working members have found remunerative employment available within commuting distance of their reserves.

Fourth, ownership of or accessibility to resources, as stressed earlier, appears to be a minor factor in contributing to the economic development of band members. Apparent exceptions to this general hypothesis among the sample under study are some non-urbanized bands in British Columbia, such as Skidegate and Sheshaht. These are located in areas of intensive logging operations and most of their adult male workers are engaged in well-paid employment in that industry.

However, it is not so much the accessibility to forests as it is technical competence, enterprise, mobility and other human factors that account for the relative prosperity of these bands. Other bands in British Columbia that are equally well located in terms of access to lumber or fish are far less developed. Furthermore, the requirements of employment in the logging industry of this province, because of its special character, resemble those of most large-scale, highly capitalized and mechanized urban industries rather than the traditional primary resource industries. (Successful operations in British Columbia coastal fishing operations, likewise, require large capital investments, adaptability to rapid technological change, and a high degree of mobility.)

Fifth, degree of organization and participation, both within and outside of the band community. Here, as stressed earlier, the casual relationship to economic development is least clearly defined in this broad survey, and would require intensive studies of individual communities to establish. The pattern of organizational participation varies considerably among the more developed bands.

The seven most developed bands in the sample may be tabulated, in oversimplified form in terms of these major variables, as follows:

<u>Band</u>	<u>Employment</u>	<u>Urbanization</u>	<u>Mobility</u>	<u>Ownership or Access to Resources</u>	<u>Internal Organization</u>
Caughnawaga	specialized	high	high	low	low
Squamish	specialized	high	low	low	low
Sheshaht	specialized	low	low	high	high
Skidegate	specialized	low	high	high	high
Lorette	diversified	high	high	low	low
Walpole Is.	diversified	medium	low	medium	high
Tyendinaga	diversified	medium	high	medium	high

As may be seen from the above table, the variables in which the majority of developed bands are ranked as high are those of specialized employment (4:7) and mobility (4:7). Urbanization is classed as high where a band is located

TABLE XXI
SIGNIFICANT CORRELATIONS OF CERTAIN VARIABLES WITH
PER CAPITA REAL INCOME OF BANDS, RANKED IN
ORDER OF SIGNIFICANCE

<u>Variable</u>	<u>Coefficient of Correlation</u>
Per cent of skilled workers in labour force	.79
Average monthly earnings per worker	.77
Percentage of adult males employed less than 6 months	- .76
Percentage of adult males employed more than 9 months	.72
Percentage of houses with indoor toilets	.72
Percentage of houses with baths	.67
Percentage of households with telephones	.64
Average months of employment per job	.63
Average annual earnings per worker	.61
Average months of employment per worker	.60
Percentage of houses with electricity	.55
Number of organizations in band community	.47
Percentage of population educated beyond Grade IX	.47
Percentage of population under 16 years of age	- .46

(The above are deemed "significant" on the basis of a 99.5% probability. On the basis of 95%, one other variable would be added as being on the "borderline" of significance, namely:

Percentage of adult males employed less than 2 months - .41)

within a major metropolitan complex, medium where it is within commuting distance of industrial centres, and low where it is relatively isolated or beyond commuting distance of cities or towns providing employment for any large fraction of its resident band members; similarly, with ownership of, or access to, resources (depending on the proportion of band members deriving their livelihoods from them). From these variables certain characteristic patterns or models emerge as follows:

1. Highly urbanized and specialized role in economy

Caughnawaga - high mobility, low organization
Squamish - low mobility, low organization
Both - low access to resources

2. Highly urbanized and diversified in economy

Lorette - high mobility, low organization
- low access to resources

3. Low or medium urbanization, specialized, high access to resources

Skidegate - low mobility, high organization
Sheshaht - low mobility, low organization

4. Low or medium urbanized and diversified role in economy and medium access to resources

Tyendinaga - high mobility, high organization
Walpole Island - low mobility, high organization.

In general, the highly urbanized bands appear to have a relatively low degree of internal organization, whether specialized or diversified in their economic roles, perhaps because band members tend to participate more in outside, non-reserve activities and organizations. The reverse tends to be the case with the more highly developed, non-urban or medium-urbanized bands.

A low rate of mobility, as noted before, appears to be induced mainly by accessibility to remunerative employment within commuting distance of reserves, whether such employment is in urban industry or in resources. Another factor, however, may be the number, variety and duration of contacts of band members with White society at different levels. This is suggested by the generally much higher mobility (as measured by the percentage of band members residing away from their reserves) of the larger more developed bands in Ontario and Quebec (e.g. Tyendinaga - 53.8 per cent, Caughnawaga - 27.11 per cent, Lorette 41.8%, and Walpole Island 19.3 per cent) as compared to British Columbia (e.g. Skidegate - 18.0 per cent, Squamish - 9.9 per cent, and Sheshaht - 13.2 per cent).

(2) Transitional

The division between the categories of developed and transitional bands is rather arbitrary. However, if per capita real income from gainful employment is acceptable as a measure of economic development, there is a significant gap of more than \$100 or about 25 per cent, between the lowest income developed band; namely, Tyendinaga, and the highest income transitional bands; namely, Curve Lake and Six Nations. The transitional category is meant to include those bands which are in a favourable position with regard to some factors (e.g. access to urban centres or to resources; mobility; organizational activity or leadership) but unfavourable with regard to others. Some are undergoing a rapid process of development from a previously depressed state, while others are in a static or deteriorating situation, despite otherwise favourable circumstances. They tend to fall into much the same patterns as the developed bands with regard to combinations of different variables.

Six Nations. To put this band in the transitional category perhaps merits a special explanation.

First, it may be partly due simply to a lack of accurate knowledge. Because of its unusually large size, with more than 7,000 members, it was much more difficult to get accurate estimates of duration of jobs and rates of pay for all working members in the community. This was particularly the case with non-resident band members, who comprise the unusually large proportion of 48 per cent. No estimates were attempted for this group (and, as noted earlier, in most bands -- and perhaps particularly for the Six Nations -- the nonresident members probably earn on the average a considerably higher income than the residents).

Second, the Six Nations Band has usually been thought of as the most advanced or progressive in the country, mainly because of a few individuals who have won national or international renown in various fields of endeavour. Many of these, of course, are no longer band members so do not contribute towards raising the statistic of average income. Still, the proportion of resident band members who are in the professional category (8 per cent) is several times higher than that of any one other band in the sample. But this is still a relatively small minority of the labour force. More than counterbalancing it are:

- (a) the low participation rate of adults in the labour force (only 24+ per cent);
- (b) the relatively small percentage of participating workers in the higher paid skilled category (as evidenced by the relatively low average monthly rates of pay in Table X);
- (c) while data regarding the months of employment of employable males are lacking, it seems evident that there is a relatively high rate of unemployment and/or a relatively low average duration of jobs, (i.e. 7.5 months, and 4.0 months per job as shown in Table I); and finally,
- (d) a relatively high rate of low-income dependency for certain groups (for instance, the number of residents receiving disability pensions is 127, or 16 per cent of all households, as compared to 4 per cent in Caughnawaga, 2 per cent in Squamish, 8 per cent in Tyendinaga,

and 0 per cent in Sheshaht, as examples among the more developed bands.

Curve Lake Lacks ownership or access to resources; there is diversified employment, depending primarily on wage-paying jobs, but more distant from industrial centres with job opportunities, or industries offering high rates of pay, together with a lower rate of mobility, than the more developed bands; hence, smaller proportions of skilled, lower average rates of pay, and higher rates of unemployment.

Port Simpson and Masset. Non-urban, specialized, resource-based economies; displacement from specialized fishing and canning, partial (and, compared to Skidegate, incomplete and less successful) shift to logging; hence, higher rates of unemployment.

Kamloops. Formerly depressed and underdeveloped, depending on ranching and casual farm labour, supplemented by farmland and timber leases; recent shift to industrial leases providing new opportunities for diversified wage employment, but at relatively low rates of pay. High mobility and high degree of organization.

Mistassini and Dog Rib Rae. Bands which have largely continued the economy of hunting, fishing and trapping, but in which a growing minority have found new opportunities for casual or seasonal wage employment in mining, forestry and auxiliary activities. High mobility and low degree of organization.

Sarcee and Blood. Ownership of and access to a wealth of resources, as well as to metropolitan centre which offers manifold job opportunities, but failure to utilize these assets fully (due, in large part, to the income derived from resource ownership). Low mobility.

(3) Depressed or Under-developed

The dividing line between the categories of transitional and underdeveloped bands, again, is arbitrary in principle and blurred at the margin. The lowest income bands, however, tend to fall into relatively simple, clearly defined types, as compared to the developed and transitional types described above.

- (a) The relatively numerous, geographically isolated bands across the vast northern wooded belt, most of whose members have been partially or wholly displaced from their hunting, trapping and fishing economies, have lost their mobility, failed to find alternative opportunities for employment, and thus come to depend mainly on welfare. (e.g. Golden Lake; Cross Lake and God's Lake; Fond du Lac; and, until the discovery of rich oil resources on band reserve land, Hay Lake.)
- (b) Bands in predominantly farming areas, in which opportunities for wage employment are lacking (other than in low-paid casual farm labour). (e.g. Piapot, James Smith and Peguis.)
- (c) Bands located in areas lacking in farmland or other utilizable resources, and isolated from main centres of employment. (e.g. Big Cove and Shubenacadie.)
- (d) Bands located close to metropolitan or industrial centres, but lacking the skills, motivation, or acceptance in the White community, required for economic development. (e.g. Musqueam, Kenora and Fort Alexander.)

All four of these categories of depressed or under-developed bands are generally low in internal organization. Some, like Musqueam and Fort Alexander, have a small minority of highly paid, regularly employed skilled workers in nearby industrial enterprises but, for various reasons, these have not managed to exert a sufficient demonstration effect upon the rest of the community to encourage any significant shift into better-paid types of employment. Some

of the more depressed bands show high rates of mobility but this is not on a sufficient scale to compensate for the lack of resources or job opportunities locally available to the majority of band members who remain on their reserves.

B. The Process of Economic Development in Stages

From the above comparison of Indian bands of widely varying income levels, the range of economic development may be illustrated as extending from the most isolated, local resource-based, dependent and depressed bands, at the one extreme, to the most economically integrated urban bands at the other, whose working members are employed in a variety of jobs that come close to a representative cross-section of an urban-industrial White population.

Degree of economic development for Indians, as measured by per capita income from gainful employment tends to be closely correlated with the degree of industrialization and urbanization in work behaviour, and way of life generally of individuals and groups. Degree of industrialization and urbanization would be determined not so much in terms of location as in the job characteristics and requirements of industries and occupations in which people are employed. In most cases -- depending mainly on location -- it involves mobility in the sense of a prolonged absence or permanent separation or break from the reserve. More important, however, is the degree of break from the reserve culture, and the attitudes, values and behaviour patterns that it tends to generate. Industrialization and urbanization would be measured in terms of such criteria as degree of mechanization and size of capital investment per worker; division of labour and proportions of skilled to unskilled in the labour force; rates of pay; regularity of employment; rules and sanctions governing hours of work, punctuality, tardiness or absenteeism, quality and pace of work, promotions, transferences, layoffs and dismissals; and the like.

From this perspective, then, we may view the process of economic development as a progression of individuals and groups through a series of different types of industries and occupations having job requirements and characteristics ranging from the least to the most industrialized and urbanized. The order of progression may be viewed somewhat as follows:

1. subsistence hunting, fishing, trapping, food and fuel-wood gathering and marginal farming, supplemented by intermittent domestic handicrafts;
2. casual, seasonal and non-recurrent commercial employment for short periods in such jobs as guiding, fishing, and fish canning or processing, fruit and vegetable canning, casual farm labour, logging (other than along the British Columbia coastal region), pole-and pulpwood-cutting, clearing and unskilled construction labour, fire-fighting;
3. regular or recurrent seasonal employment over longer periods of the year in such fields as semi-skilled or skilled construction work, road and railway maintenance, truck driving, longshoring, logging and sawmilling in some areas and various seasonal secondary industries (particularly in food handling and processing);
4. regular full-time or permanent employment in a non-urban setting, in such fields as commercial farming; highway and railway maintenance; maintenance, repair, service and clerical employment in larger bands; government employees in game and forestry conservation; and the like;
5. specialized full-time or recurrent seasonal employment and residence in relatively high-wage, urban-located industries, particularly in small and medium-sized industrial towns, such as larger sawmills and planing mills, plywood, pulp and paper plants; mining and smelting operations; factory work, particularly in the semifinished category; building construction, maintenance and repair; automotive transportation; and various clerical and service occupations;

6. full-time employment and residence in urban communities, particularly large metropolitan centres, in diverse occupations representative of a metropolitan population, ranging from unskilled to the most skilled, technical and professional jobs.

It seems evident that any substantial improvement in the economic position of Indians generally will require the movement of large and increasing numbers from the overcrowded low-income resource-based industries and locales in which they now work and reside into better-paid wage and salaried employment in other industries, which, in most cases, will probably be beyond commuting distance from their reserves. More efficient development and utilization of resources accessible to their home reserves should be deemed distinctly secondary in importance and designed essentially for the residue who have special skill or promise in working in local resource-based industries, or who, for various reasons, will be unable to adjust to migration and relocation.

The process of industrialization and urbanization as described above should not, of course, be viewed as a process in which every Indian must unavoidably go through every higher stage in order to obtain the best employment. There are enough case histories over the past ten years or more to demonstrate fairly conclusively that individual Indians, given sufficiently careful selection, training, placement, and counselling, can bridge the wide gap between a relatively simple, isolated and local resource-based band to living and working successfully in a complex metropolitan environment. The question is not so much whether it can be done as whether it can be expected to occur or can be brought about on a sufficient scale to relieve the present and growing pressure of population on resources and job opportunities in many communities with their consequent under-employment, poverty and dependency. It would seem that bigger and quicker results would be achieved by putting the main priority on encouraging the movement of Indians in as large numbers as possible, into the types of jobs which are most easily available or attainable in terms of their location, skills, motivations, and job preferences, rather than focussing on the training of the minority of more promising Indians for special achievements though this latter objective should be maintained, by all means.

Perhaps this question is really a difference in emphasis as between short-term and long-term objectives. The Indian Affairs Branch is now dedicated to the principle that Indians, like Whites, should be provided with all the educational opportunities that they can utilize effectively, to enable every Indian to develop to his full capacities. One cannot quarrel with this objective for Indians, any more than for the population generally. If Indians are to be enabled to develop economically to the point of achieving equal or comparable levels of income and occupational status with Whites generally, one of the essential requirements will be that they receive levels of education and training generally equal or comparable to the White majority. In view of the at-present low levels of educational achievement of most Indians, however, coupled with deficiencies in educational personnel and facilities, and numerous deterrent factors in the home and community environments among many bands, it seems evident that such educational and economic equality will take at best, many years to achieve. Meanwhile, there are pressing problems such as wide spread unemployment and under-employment, as well as large and increasing numbers of young Indians reaching working age year by year. The more immediate and pressing need, therefore, would appear to be to educate and train Indians, in the largest possible numbers, to take advantage of the job opportunities that are most readily available to them,

Specifically, what is suggested is that the most rapid and in the aggregate the greatest improvement in the economic status of Indians could be achieved by a really massive effort to encourage and enable large numbers of them to move out of trapping, fishing and marginal farming into wage employment in seasonal industries such as logging, construction and railway maintenance; from these into more regular and secure types of employment, such as in saw milling, pulp and paper, smelting and maintenance work in industrial towns; and so on.

This sort of approach is far from novel or original, of course. It has been followed by the Indian Affairs Branch in various parts of the country for several years with varying degrees of intensity.

This sort of policy may be open to criticism on several grounds:

- (a) It is discriminatory in principle to assume that most Indians have natural attributes and preferences for seasonal outdoor jobs in non-urban settings, or that they naturally have difficulty in settling down to steady jobs at regular hours in urban environments. Furthermore, even if the assumption were realistic for the majority, it would be unfair and undemocratic to neglect the interests of the minority of Indians having special abilities, or those who do not have the physical or temperamental attributes required for certain types of skilled or semi-skilled manual labour.

In brief, the argument seems to boil down to the following proposition: If Indians are to be given equal opportunities with Whites to develop to levels of approximate equality economically and otherwise, the full range of educational or training facilities and job openings at all levels must be made available to them on the same basis. In effect this would mean that the main metropolitan centres, with their multiplicity of special services and facilities, and their potentially unlimited opportunities for employment, must be rendered, one way or another, as accessible to Indians as to Whites. For it is in the metropolitan areas which have an increasing majority of the nation's population, in which are concentrated most special facilities and services for education and training, medicine and public health, trade and industry and economic activity -- in brief, the very nature of our urban industrial society is controlled and shaped by our metropolitan centres.

- (b) There is also a practical matter of policy to be considered. Large metropolitan centres are cosmopolitan and multi-racial or multiethnic in composition and more tolerant of deviant behaviour or physical or cultural differences than are small or medium-sized towns. The criteria of employability are more likely to be the objective ones of formal training and measurable efficiency rather than family or racial background. On these grounds, then, it could be argued that Indians could be absorbed into employment in larger numbers and would find the adjustment to urban living easier in large metropolitan centres than in small towns.

There has been a very limited amount of research done on Indian workers and residents of metropolitan areas, and the findings are far from conclusive. J.D. Fransen (formerly Assistant Indian Affairs Branch Superintendent in Southern Ontario, and now with the Indian and Metis Branch of the Saskatchewan Government) has recently completed a study for his Master of Social Work degree at the University of Toronto.¹ The group of Indians he studied showed a high degree of adaptability to urban work. They were performing a wide variety of jobs requiring various levels of skill and training. All but a few had experienced little or no prejudice or discriminatory treatment from employers or fellow workers. They showed distinctly positive attitudes to their jobs, had remained at them for several years, and a number had had promotions or were taking special education or training purely on their own initiative to advance themselves.

The group represented a random sample of thirty out of some 190 Indians known to be residing in Toronto. However, they proved to be of a rather special category, who could hardly be taken as representative of Indians generally in Ontario, much less Canada as a whole. They all came from eight bands in Southern Ontario --one-third of the sample from Six Nations alone -- all of which are located near medium-sized urban communities. They could be presumed, then, to be already more urbanized and capable of adjusting to city life than Indians from more remote localities. Furthermore,

¹J.D. Fransen, "Employment Experience and Economic Position of a Selected Group of Indians in Metropolitan Toronto", June, 1964.

they all are relatively young, and most are single and/or childless so have limited responsibilities. And finally, they are all able to make return visits to their home reserves on weekends without excessive time or expense.

- (c) In general, then, a program designed to increase greatly the movement of the more specially gifted or qualified Indians out of reserves and into major metropolitan centres to work in a variety of skilled jobs is greatly to be desired on several counts. For one thing, Indians generally tend to lack a middle class, employed in technical, professional or semi-professional positions of status who could act effectively as leaders and spokesmen for their interests. And, for the more depressed Indian bands located close to large metropolitan centres, their employment off the reserve seems to be the only feasible path for economic development in any case. In the foreseeable future, it is reasonable to expect that increasing numbers and proportions of Indians will gravitate to the major metropolitan centres for residence and employment, as has been occurring among the White population for several decades. If such is the prospect, it would seem only feasible to put growing emphasis on educating, training and conditioning Indians -- particularly those below sixteen years of age, who comprise about one-half the total population -- for living and working in metropolitan environments.

But, to repeat, this cannot be relied upon, in the short run at least, to deal with the larger problems of excess population and under-development of the many Indian bands in the more northern wooded regions as well as numerous farming areas across the country. For one thing, as noted before, the educational deficiencies of most Indians from such environments at present rule out their acquiring high school and post-secondary vocational training of the kinds that seem increasingly necessary for successful adjustment in the metropolitan economy. The relatively small stream of young Indians who come from various bands to Vancouver, Winnipeg or Toronto each year for special education and training and who become placed successfully in employment, fall far short of the flood of young Indians reaching working age each year in British Columbia, Manitoba or Ontario in areas of serious under-employment.

To meet this problem would require moving much larger numbers into, and through, a range of middle positions such as listed in the table of industries and occupation in the urban-industrial spectrum above. The crucial link in this regard would appear to be those in the category described in No. 5 -- i.e. full-time or regular seasonal employment in such industries as pulp and paper, mining and smelting, sawmilling, plywood and various service and repair fields related to these.

These fields seem to offer several possibilities for Indians.

1. They are expanding rapidly in new small or medium-sized towns that are being established, or already established, in areas with sizable under-employment of resident Indian populations so that for many the problems of distance and transportation costs are not too great.
2. The types of employment in primary manufacturing and related seasonal occupations appear to be more in line with the work experiences and job preferences of Indians coming from local resource-based economies than would be work in secondary manufacturing or large offices in major urban centres.
3. Because of their size and location, many of the smaller or medium-sized industrial towns offer more opportunities to Indians to participate in hunting, fishing, guiding and food-gathering on weekends or holidays.
4. The demonstration effect on fellow band members is likely to be more readily observable and effective in inducing migration out of reserves and into new areas of employment where numbers become employed at reasonably steady and well-paid manual, clerical or service jobs in accessible industrial or business centres, as

compared with that of a few individuals who make the big jump and become established in a large and distant city.

Every placement of a worker at this key point could potentially create a chain reaction that would open up new and better job prospects for four or five others and thus greatly increase mobility. Steady workers recruited for work in sawmills, pulp plants or smelters from the ranks of seasonal railway or highway maintenance workers, or maintenance and repair workers on reserves, would in turn make new jobs in these latter fields available to otherwise unemployed Indians who remain overcrowded in hunting, trapping, and fishing and who must depend on relief for much of their livelihood; and so on.

The main difficulty of getting Indians placed in these middle levels of industrial employment, as noted earlier, seems to be in attitudes of exclusiveness or hostility towards them by White employers and residents. In the unprecedented industrial expansion that Canada has experienced since the War, many new industrial communities have developed in many parts of the country, from which Indians have been almost entirely excluded. It will require a major effort of planning and pressure to get any large number of Indians established in such communities but the potential economic gains to be achieved would seem to far outweigh the costs.

CHAPTER IX

GENERAL PROSPECTS, BY MAJOR REGIONS

The previous chapter has outlined the trends whose encouragement would seem to promise the greatest degree of improvement in the economic position of Indians in Canada. The general pattern is that of a series of shifts through different stages of industrialization and urbanization.

The pattern differs considerably and appropriate economic policies would, therefore, have to vary among the major provinces or regions across the country. The rate and pattern of change would depend upon such variables as:

- the size, structure, and location of major industries;
- amounts, location and types of resources (including climate and topography) and location of main markets, on which the industrial structure is based;
- present and anticipated rates of growth in output and employment;
- distribution of the total population in communities of different size and type;
- location of Indian communities of various sizes in relation to usable resources, transportation facilities, and White centres of industry and population having employment opportunities;
- degrees and patterns of mobility in response to economic opportunities.

There are wide variations in the degree of economic development achieved to date, widely unequal rates of growth in the foreseeable future, and hence widely unequal economic prospects for Indians among the major regions in the country.

(1) British Columbia

While not as highly developed industrially as Ontario, and having a slightly lower per capita income from all sources for the total population, British Columbia has the most prosperous Indian population as a whole and offers the most favourable prospects for the economic development of this minority in the immediate future. This view is based on several findings:

- (a) The size and location of Indian bands. Unlike most other provinces, British Columbia's Indian population comprises a large number of relatively small bands. While comprising less than one-fifth of the total Indian population in Canada, they account for some 180, or almost one-third, of the 560-odd bands in Canada, and these have almost 2,000 reserves. Few bands in this province have more than 1,000 members, and none has as many as 2,000.

Most of these bands, furthermore, appear to be favourably located in relation to job and income-producing resources, to transportation

facilities, and to centres of industry and population. One large segment of the population resides in numerous bands along the mainland coast from Vancouver to the Alaskan Boundary, as well as Vancouver Island, the Queen Charlottes, and lesser islands. Most of the bands in the interior of the province have fairly easy access to transportation by railway, highway, or waterway. Only a small minority of the Indian population of the province is located on reserves more than a few hours travel by boat, automobile or train to sizable industrial or commercial centres.

- (b) British Columbia has been undergoing a rapid rate of economic growth in recent years, with types of industries that are, on balance, favourable to the employment of Indians in terms of their present location and job preferences. Along the coast, fishing and fish canning or processing until recently provided the largest single field of employment for Indians. They have faced increasing displacement in recent years because of mechanization and larger-scale operations, coupled with increasing competition from other ethnic groups. A minority of the more able and enterprising Indians in the fishing industry, as noted in previous chapters, has remained among the most prosperous in the country, but the majority in it appears to be under-employed and earning inadequate incomes which require supplementing from other sources.

More than compensating for this trend in fishing, however, has been the great and growing expansion in the forest products industry generally on the coast -- logging, sawmilling, plywood, pulp and paper production and related service industries such as towing or transporting, loading and shipping. While the employment of Indians in processing industries such as plywood, pulp and paper production has been limited, there has been rapid expansion in logging and sawmilling. While adequate statistics are lacking, there appear to be far more Indians now employed in these two fields, as well as longshoring, on the coast, than was the case in the fairly detailed employment survey of Indians in British Columbia some ten years ago.¹ A particularly favourable trend has been the rapid expansion of logging in areas of predominantly Indian population in which the displacement of Indians from fishing has been most severe, as in Vancouver Island, the Queen Charlottes, and along the Skeena and Nass Rivers.

Similar expansion has been occurring in the interior, particularly the northern interior sections of the province. New pulp, paper and plywood plants and planemills have been, and are being, established in numerous centres. Again, while relatively few Indians have been employed in processing establishments, increasing numbers appear to have shifted from trapping and marginal farming or ranching operations to seasonal employment in logging and sawmilling.

Even more spectacular, in some respects, has been the rapid growth in the construction industry, particularly, again, in the interior of the province -- most notably, the Peace River and Columbia River power projects, each involving hundreds of millions of dollars, in the northern interior and southern interior respectively. More than 200 Indians have been, and are now, employed on the former project, in rough clearing and construction work -- most of them recruited from dozens of under-employed and depressed bands over a wide area. Many more are employed in various parts of the province in road building and powerline construction and in the initial phases of new resource development projects such as pulp and paper plants, mines and the like.

As stressed below, however, a major effort will be required in British Columbia, as in other provinces, to get larger numbers of Indians employed in the processing and tertiary sectors of the economy, once the initial developmental phase of the present expansion is finished.

¹Hawthorn, Belshaw, Jamieson, The Indians of British Columbia.

(2) Prairie Provinces

Owing to topographical features and natural barriers to transportation and communication, it is customary to look upon the Prairies as one region in which the three provinces have certain characteristics and problems in common, contrasting sharply, in many respects, from British Columbia to the West, and Ontario, Quebec and the Maritimes to the East.

In analysing the economic problems and prospects of the Indian population in these provinces, however, it would perhaps be more realistic to divide Canada generally into four main regions, on a north-and-south, rather than east-and-west basis, as follows:

- (a) the Maritimes;
- (b) the lower St. Lawrence Valley and Southern Ontario, having a high density of population and a major concentration of urban industry;
- (c) the plains and foothills regions of the Prairie Provinces;
- (d) the vast northern forest, rock, and muskeg belt, occupying virtually all of Quebec and Ontario north of the St. Lawrence and Great Lakes, more than three-quarters of Manitoba running from the southeast corner to the north and west of Lake Winnipeg, almost one-half of Saskatchewan and about one-third of Alberta, and including the Yukon and Northwest Territories as well as the large part of British Columbia lying north of the C.N.R. line from Prince George to Prince Rupert.

The economic positions of the majority of Indian bands throughout this vast northern region, and the special maladjustments and problems they face are fundamentally similar, based as they are primarily upon hunting, fishing, and trapping supplemented by casual wage work and relief. These are discussed in general terms below. However, the number and proportion of Indians in each province residing in the northern and southern belts respectively, and the northern Indians' prospects for finding alternative employment in other industries, appear to differ appreciably. The northern regions of the Prairie provinces -- particularly Manitoba and Saskatchewan -- as well as the Yukon and Northwest Territories, appear to face special difficulties in this regard.

Economy of the Northern Indians

The fishing and trapping economies of Indians throughout the northern belt appear to be facing similar trends and problems. A combination of rapid population growth, excessive trapping and depletion of game and fur-bearing animals in some areas, obsolete or inefficient organization, techniques and equipment, competition of substitutes and consequent low prices for wild furs in recent years, all have led to inadequately low and declining returns to trappers over the past decade or more. These, coupled with rising consumer expectations and with stricter control over school attendance as a condition for receiving family allowances, in turn have reduced incentives to trap and consequently mobility. To an increasing extent, people have ceased to carry on trapping, and come to reside the year round in large and permanent settlements built around schools, nursing stations, Hudson's Bay Company stores, Indian Affairs Branch offices and other such institutions. In many cases, they depend upon relief, family allowances, old age pension and assistance cheques, and other government subsidies or welfare payments for the major part of their income.

In comparison or contrast to the situation in British Columbia, a large proportion of Indians in the northern region in the Prairie provinces as well as Northern Ontario are concentrated in a few large bands which are poorly located in terms of access to transportation facilities and industrial or business centres offering alternative job opportunities. This is particularly the case in Northern Saskatchewan and Manitoba. In the latter, an Indian population of more than 16,000 belongs to only twenty-two bands, compared to the 180 bands for 40,000 people in British Columbia. And in the former, some of the largest bands such as Norway House and Island Lake, each with almost 3,000 residents, are located in areas accessible only by expensive transportation by

air, or by long and arduous water, snowmobile or bombardier transportation, over hundreds of miles from any urban centre. The same is true of certain relatively large Indian communities in Northern Ontario, such as Big Trout Lake.

Within this broad perspective, of course, the picture varies considerably from band to band and area to area across this huge region. The size of the northern region, and the numbers of Indians residing in it vary widely from province to province. Northern Manitoba, for instance, had roughly 16,000 Indians and 4,000 Metis in 1962, while Northern Saskatchewan, much smaller in area and resources, had 5,520 Indians and 4,240 Metis. By contrast, the predominantly trapping Indian population in Northern British Columbia numbers less than 1,000. Again, Northern Ontario, while smaller than Northern Quebec (as defined earlier), has several times the Indian population of the latter.

In Northern Saskatchewan, despite considerable effort and planning for conservation and development, coupled with improved marketing and distribution, the annual fur catch appears to have reached an upper limit, despite inadequate returns averaging only \$300 - \$400 per annum to trappers, and their consequent growing dependence on relief.¹ In Northern Manitoba, by contrast, an intensive survey under government auspices in 1962 came to the conclusion that only 20 per cent of the potential wild fur was being harvested, though the income to trappers was hardly any better on the average than in Northern Saskatchewan.² As a third variant, a number of bands, particularly in the Yukon and Northwest Territories, as well as some parts of Northern Quebec, have remained largely mobile and self-supporting in hunting, trapping and fishing, albeit at low levels of income.

The decline in income and employment in trapping during the 1950*s and early 1960*s has been compensated, to some extent, by the opening up and development of commercial fishing in an increasing number of northern lakes. This has been a particularly notable development in Manitoba and, to a lesser extent, Ontario and Saskatchewan. In the former, fishing in recent years has provided a considerably larger total cash income, though less employment, than trapping. It still provides far from adequate returns, however, averaging less than \$500 per annum, and its prospects are uncertain, due again to long distance from markets, high transportation costs, poor organization and distribution, inefficient and obsolete techniques and equipment, and the like.³

Guiding, fire-fighting, pulpwood cutting, seasonal road and railway building and maintenance have also provided supplementary employment to considerable numbers of Indians in numerous northern areas.

Again, some bands such as Hay Lake in Northwestern Alberta, are located in areas with large tracts of potentially arable farmland and commercial timber stands, as possible alternative sources of gainful employment and are now receiving large revenues from the discovery of oil resources on their reserves. Similarly, a number of bands in Northern Quebec and Ontario and in Northwestern Manitoba have potentially large new employment opportunities with the development of major mining and smelting, pulp and paper, and hydro-electric power operations in their midst. Large developmental projects involving investments in the hundreds of millions of dollars, notably the Athabasca tar sands in Northern Alberta, the earlier mentioned Peace River power project in Northern British Columbia, and the Hamilton Falls power project in Northern Quebec, offer potentially great alternative employment opportunities for Indians in these areas. By contrast, large numbers of Indians in areas such as Northeastern Manitoba and most of Northern Saskatchewan, appear to have limited or inadequate alternative resources locally available to Indian communities, and few prospects for new industrial developments within reasonable access to any large number (though the recently announced project for hydro power development

¹Buckley, Kew and Hawley, op.cit.

²"Manitoba, 1962-75*", Report, Committee on Manitoba's economic Future, Government of Manitoba, Winnipeg, 1963.

³Buckley, Kew and Hawley, op.cit. Manitoba, 1962-75 Report.

on the Nelson River in Northern Manitoba may change the picture dramatically in this region).

Considering the present levels of inefficiency, a great deal could be done through larger investments in equipment, personnel and training to improve the utilization of available resources and improve the levels of real income of Indians who depend upon trapping and fishing.

In their domestic economies, for instance, part of the northern Indian household's real income is derived from domestic consumption of game, fish, fuelwood and timber, which, in urbanized areas, would require large outlays in cash. (As noted in Chapter II, an arbitrary allowance of \$50 monthly for a six-month period was made for northern bands in estimating their annual per capita real incomes from gainful employment.) With rapidly increasing populations and reduced mobility, however, Indian households in many communities, particularly the larger ones, find it increasingly difficult to supply themselves with these necessities within a distance feasible for transporting the produce back to the home, due to depletion of resources within a widening radius of their settlements. The real income per man hour of labour is decreasing. Hence, there is increasing reliance on purchased food, clothing, fuel and lumber, and these are sold at far higher prices than in the more populated areas in the south, owing to high transportation costs in importing them from outside. Through better organization and proper transportation facilities, many communities in the north could more economically utilize hitherto untapped resources at greater distances, over much larger areas. Again, a number of reserves in the northern region contain, or have access to, areas of arable land which could be used to grow vegetables of much better quality, and far lower in cost than the dried, canned or occasional fresh varieties available in local stores.

Much higher total and per capita incomes would likewise be possible for Indians engaged in commercial trapping and fishing through more efficient organization and up-to-date techniques and equipment, as a number of studies have brought out. The effects on total employment, however, are more problematical. The most intensive study of the economic potential for Indians and Metis of resource industries in the northern belt was carried out in Northern Manitoba by numerous outside consultants and experts on behalf of the Manitoba Government in 1962. In view of the fact that the wild fur industry in that region was being exploited to only 20 per cent of its full potential, the research findings were to the effect that the industry, currently employing some 3,000 trappers earning in toto only \$1 million per annum or \$300 per capita, could, through proper equipment and organization, be made to yield a total of \$5 million per annum for 5,000 trappers, or an average of \$1,000 per capita for a three to four-month trapping season. This potential, however, could be reached only if supported by other supplementary or supporting sources of income and employment (notably fishing), coupled with relatively drastic provisions concerning such matters as education and social welfare.

Increasingly, however, as noted earlier, commercial fishing has been the main supplementary employment to trapping, and now exceeds it in total income yielded. However, it was found in another special research study in Manitoba that the improvements needed to bring this industry into an effective level of competition efficiency would involve a drastic reduction of the total labour force employed, from the prevailing level of 5,000 down to 1,500. This would be necessitated by large-scale, more mechanized operations, and the elimination of wasteful duplication in plant and facilities. The 3,500 displaced from fishing, it was concluded, would need re-training for employment in other industries.¹ Clearly, then, the changes recommended for fishing would go counter to the requirements for increasing employment and income in trapping.

The intensive study of Indians and Metis in Northern Saskatchewan by Buckley, Kew and Hawley did not come up with such sensational estimates with

¹Ibid., p. V-4-3. For a fuller analysis of the economic prospects of Indians in Northern Manitoba, see Jamieson and Hawthorn, *The Role of Native People in the Economic Development of Northern Manitoba*.

regard to either the potential expansion of employment and income in trapping or the potential decline of employment in fishing. Its conclusions were, however, that employment and income prospects in these older resource-based industries were at best limited and inadequate for a population increasing at an unusually rapid rate. Numerous other less comprehensive studies of other parts of the northern belt seem to reach much the same conclusions.

Alternative Sources of Employment

In general then, if the maximum efficiency in resource use were achieved through modernization of equipment, intensive training in new techniques, and improvements in processing and marketing, the average real incomes of Indians engaged in trapping and fishing could be raised appreciably to yield monthly rates of pay comparable to those of other industries. The total employment prospects, however, appear to be static or declining, in terms of conservation requirements. At best, they fall far short of meeting the needs of a rapidly expanding population (particularly where the expansion is most rapid among the younger groups now reaching working age). And, in view of the high seasonality of northern trapping and fishing - providing, at best, only six to seven months employment per annum -- the average annual earnings from these industries would still fall considerably short of the levels deemed adequate by urban standards. Finally, there is the fact to be faced that a large and growing number of young people arriving at working age in the northern areas, owing to the requirements of more-or-less continuous school attendance, are incapable of earning an adequate livelihood from trapping and fishing in any case, for skill in these activities is to a large extent dependent upon detailed and intimate knowledge of terrain and of the life habits of fish and game -- knowledge of a kind that is acquired through long years of apprenticeship from boyhood on.

The conclusion seems unavoidable, therefore, that any substantial improvement in the employment and income prospects of northern Indians will be possible only with a large-scale migration to, and relocation in, areas offering opportunities for remunerative wage employment. Alternative possibilities in this regard merit some examination.

(a) Southern Prairies

One major trend common to virtually all regions of the North American continent and particularly pronounced since World War II, has been the migration from rural to urban areas, and accompanying this a growing concentration of population in the larger metropolitan centres and nearby satellite business and industrial towns. For in these centres are concentrated the main secondary, financial, sales and service industries which are undergoing the most rapid rates of expansion in the economy, and which offer, therefore, the most opportunities for remunerative employment. In Canada, by the very nature of its geography, this population movement involves a predominantly north-to-south migration, at least of the Canadian-born.

Counterbalancing this trend, to some extent, has been a migration of people from the more populated areas in the south to hitherto thinly populated or unpopulated areas in the north, consequent upon improved transportation facilities, new resource development projects and the communities that develop around them. Only in British Columbia, however, has this counter-movement of population since World War II been of such a magnitude as to lead to a faster rate of population growth for the northern region as a whole than for the metropolitan centres.

A highly industrialized region like Southern Ontario could potentially absorb unlimited numbers of northern Indians displaced from primary employment (except for problems of technical training and social adaptation or adjustment). For reasons discussed briefly in the preceding chapter, however, this does not seem the most feasible way in the immediate future, at least, of attempting to deal with the growing problem of under-employment and dependency in the northern belt.

In the Prairies the southern plains and foothills region would appear incapable of absorbing large numbers of displaced northern Indians in any case, apart from the technical and social problems involved. Southern Manitoba

and Southern and Central Saskatchewan are predominantly agricultural in their economies, with a limited degree of industrialization and a surplus rural population more than sufficient to fill the limited job opportunities available in the cities and towns of the region. Numerous bands residing in this region, as noted in an earlier chapter, are among the lowest income, most depressed and dependent groups in the country. Their real income per capita from gainful employment tends to be even lower than that of most northern bands, because they do not have the game, fish, fuelwood and timber available for home consumption.

Alberta appears to be in a better position than the other Prairie provinces. Southern and Central Alberta have been undergoing considerably greater expansion than the other Prairie provinces, due mainly to the discovery and development of major oil and gas resources and the multiplier effect these have had on further development of the other industrial and commercial activities. So far, however, this expansion appears to have benefited Indians to a very limited extent as far as gainful employment is concerned. It has yielded large band funds and revenues to certain bands, such as the Blood, Blackfoot, Sarcee and Sampson, and these, together with ownership of large tracts of arable land, have enabled numbers of Indians to become established in ranching. But relatively few have found remunerative wage employment in metropolitan Calgary or Edmonton or in the smaller towns.

(b) Northern Region

A limited number of Indians from northern communities, of course, have been migrating and resettling in southern cities and towns and their numbers are likely to increase in the future. However, for the next decade this seems unlikely to occur on a scale sufficient to meet the needs of rapid population growth in the north, as well as among bands in the southern region. The best hope for the former group, therefore, seems to lie in the development of new industries in the north itself that offer potentially new opportunities for employment to Indians and Metis in the region. Migration and relocation of northern Indians, in brief, seems to promise greater economic gains where directed to new centres of growth in the north itself, rather than from north to south.

The most promising industries as far as new employment possibilities in the north are concerned, are in forestry products (particularly pulp and paper) and in mining and smelting. These industries are already well developed in Northern Quebec and Ontario, of course, and are employing a considerable (though unknown) number of Indians. Further expansion on a large scale is to be expected. Most recent of the large new developments, involving actual or potential investments in the hundreds of millions of dollars, are those in iron ore in Northern Quebec, and in copper in Northern Ontario.

These two provinces likewise account for the major output of pulp and newsprint in the country. The long-run growth prospects of these products are highly favourable, and it seems likely that forestry operations to supply the raw material will be carried farther north in areas of predominantly, or entirely, Indian population.

Prospects are also favourable in Northern Manitoba, a region with a relatively large number of under-employed Indians in isolated communities. The mining and smelting industry in this region is far less developed than in Ontario and Quebec, but it has great potentialities. The three main mining and smelting centres of Flin Flon, Lynn Lake and Thompson in Northwestern Manitoba together have a population considerably larger than the entire non-urban, predominately Indian and Metis population of the whole vast region of Northern Manitoba. Thompson, with a population of approximately 6,000, is expected to grow to 20,000 or 25,000 in the next few years. There has been a high rate of turnover among mining and smelting workers. The new job openings in this one centre alone, therefore, are sufficient in number to more than match the numbers of under-employed or unemployed Indians and Metis in the northern section of the province (again, ignoring the problems of migration and relocation, training and social conditioning that would be involved). Large proven reserves, plus large suspected reserves,

of mineral ores in the undeveloped area south and east of the Hudson Bay railway line offer the prospect of development in that area, as well as in the northwest.

The forest products industry likewise shows prospects of great expansion in output and employment opportunities. Northern Manitoba is one of the few remaining regions on the continent in which large tracts of potentially usable timber have remained virtually untouched and unclaimed. One estimate by a group of expert consultants hired by the Manitoba Government is that through proper methods of organization, conservation, development and utilization, the dollar value of output of forest products could be increased five times over and employment more than doubled from the current 8,000 to more than 18,000. The latter, moreover, could enjoy longer periods of employment and at higher rates of pay than now apply in the industry.¹

Strong recommendations have been made to the Manitoba Government to facilitate the establishment of a large-scale pulp plant in the strategic centre of The Pas. Further recommended are large-scale pulp-log operations farther north and east in timber stands accessible by rivers and lakes to the Hudson Bay railway line for shipment of logs, in bulk, through the port of Churchill on Hudson's Bay. (At present there is only one pulp and newsprint plant in Manitoba, in the southeast section of the province some 80 miles northeast of Winnipeg, while only a few small sawmills operate in the northern sector.)

Such developments, of course, are contingent upon the provincial government adopting a vigorous program of public investment in roads, power lines and other facilities and services necessary to induce private capital to invest in major resource development projects.

Prospects in Northern Saskatchewan, according to the Report by Buckley, Kew, and Hawley, appear to be considerably more uncertain, despite the greater degree of government planning and control of resource use than in Manitoba. The explanation lies, of course, in the relative paucity of resources. To quote some more pertinent sections of the Report:

With regard to mining and smelting:

"Taking into account all the difficulties and uncertainties, it cannot be assumed that development will come, inevitably, within the next ten years. Neither can we assume that new mines will employ Indians and Metis. This consideration, above all others, demands a drastic revision in existing northern programs.

"What the future of mining holds for Indians and Metis depends less on new discoveries and more on training. In the absence of the latter, any number of new mines may be brought into production and the Indian will remain on the fringe of employment, as he has at Uranium City. But even without new mines, Indian people can be trained for jobs with existing companies.

". . . a training program would not threaten White workers now employed because many will leave Uranium City in any event. According to estimates supplied by Buck and Henderson, the labour turnover in northern mines generally varies between 50 and 200 per cent a year. (Buck & Henderson, '59, p. 106.) A training program, therefore, would take into account labour turnover as well as a possible expansion in the demand for labour in the future."

With regard to forest products industries:

"The timber industry does not employ large numbers of workers in the north. Of more than 500 sawmills in the province, only sixteen are located in the northern region. Of 2,700 men employed in Saskatchewan in 1961 -- at sawmills and in the woods -- only 255 were employed in the northern region. Moreover while northern labour seldom moves south, there is a considerable movement of forest workers from south to north. Therefore, what little employment there

¹"Manitoba 1962-75", Report, op.cit., part V, Sec. 3.

“is in the northern region goes to outsiders as much as it does to local men. The largest contractor, for example, employs seventy-five to eighty men, only forty of whom are Indians or Metis.

“In the province as a whole, Indians and Metis have actually lost ground in the timber industry as a result of mechanization.

“No great prospects appear to be in store for northern people as a result of the natural expansion of the timber industry. With a limited resource far from markets, northern mills are likely to remain small and few. Men better equipped than the Indian and Metis are likely to take the lion’s share of employment.”

With regard to pulp:

“What is needed, of course, is a mill or mills in Saskatchewan. According to the Stanford Study, the resource could support about six mills, each with a capacity of 300 tons per day. (Stanford Research Inst., ‘59, pp. 270-274.) For the present, the hope is to establish one medium-size mill (200 ton capacity). An operation of this size would employ around 200 men in the mill the year round, and probably 150 to 200 in the woods.

“It is clear that pulp mill prospects are a thin support for faith in new industry as the cure to northern poverty. The mill itself remains a question mark; yet even if construction began this year, the jobs could all be filled with ease by unemployed workers from the south. At best, Indians and Metis might get a share of employment in the woods, although experience in the timber industry suggests that this share would be rather small.”

No such intensive studies of the economic problems and prospects of Indians in Northern Alberta have been undertaken, comparable to those quoted from Saskatchewan and Manitoba. The Canadian Shield accounts for a much smaller part of Alberta than of the other two provinces, and so the number and proportion of Indians in physically isolated communities who depend on trapping and fishing, supplemented by relief, and the problems posed by their relocation and re-employment in other industries, are correspondingly smaller. And, as noted earlier, Northern Alberta and British Columbia are, and will be, undergoing major developments - - most notably, the Peace River power and Athabasca tar sands projects -- that will, on paper, generate more than enough new jobs to absorb under-employed Indians in these provinces.

It is misleading, however, to discuss the northern region and the northern Indians and their employment prospects in terms of provincial boundaries. For many Indians, their main opportunities would appear to lie in an east-to-west pattern of mobility to developing centres of new industry. Over the northern region as a whole, as noted, industrial development to date is of a magnitude to employ far more workers than the resident Indians and Metis could provide in numbers alone. Hitherto, the labour employed in these industries has been drawn mainly from the southern regions and from immigrants, while the local people have been largely excluded. Problems of physical distance or unwillingness to move have not been the major barriers facing Indians and Metis. Historically, indeed, many of them have been notably mobile and adaptable, and many today seem little attached, on sentimental or other grounds, to their present localities. The present immobility of Indians is based, rather, on the provision of facilities and services and subsistence on reserves which are unavailable to them on the same basis in non-reserve centres, coupled with special difficulties getting and keeping jobs in such centres, and special difficulties in adjusting to urban life.

A study of this aspect was undertaken in Northern Manitoba on behalf of the Manitoba Government in 1962. Part of the findings, quoted at some length below, are probably applicable to comparable industrial centres throughout the northern region, from Quebec to British Columbia inclusive.

“A number of factors can be pointed to by way of explanation for this failure of Indians and Metis to take full advantage of their potential employment opportunities offered by industrial expansion in Northern Manitoba. Some of these are fairly obvious, others are subtle and complex. In gathering information on this question, we focussed on three companies and the industrial

“communities that have grown around them. In seeking information we inter-viewed company officials, union leaders and members, government employees and others. The data they provided all seemed to fit into a fairly consistent picture, which we endeavour to present below. All three companies and industrial communities have had experiences in common, as regards Indian and Metis, but each has certain unique features. One of these industrial communities lies within easy commuting distance of a large Indian reserve, while the other two are located some distance away from Indian communities. Of these latter two, one town grew without much planning in its earlier stages, and now appears to have reached its peak. The other is a very carefully planned community that is undergoing rapid growth. Together, these three provide, we feel, a representative picture of the problems to be faced in the ‘integration’ of Indians and Metis into the modern industrial complex in which the hopes for economic development in Northern Manitoba must lie.

“In two large companies, which have been operating for several decades, ‘dozens’ of Indians have been employed at one time or another. Large numbers were taken on during and immediately after the war. when there was an acute labour shortage. Very few have remained. Officials of both companies now estimate that there are only ‘about a dozen’ on their payrolls. The explanations offered are as follows:

“(a) The inability of Indians and Metis, accustomed to seasonal outdoor work with a variable pace of operations, to adjust to jobs in such fields as mining and smelting, or pulp and paper processing, which require regular hours, punctuality, and a highly mechanized routine of work. Working in 8-hour shifts (8 a.m. to 4 p.m.; 4 p.m. to 12 p.m.; 12 p.m. to 8 a.m.) -- and shifts which vary for the individual worker from month to month -- the Indians and Metis found particularly difficult to get accustomed to. Mining and smelting work, it is stressed, is not like fishing or pulpwood cutting, or railroad maintenance work for that matter. One cannot add variable numbers of workers to an operation, or ‘stretch out the job’ if shorthanded. Each man has a special job, dealing with certain types of equipment. If a man fails to turn up for the job to relieve the man who has put in a shift, the latter has to stay at it, or another be called, and they have to be paid ‘overtime’ rates. Tardiness, absenteeism, or quitting without notice, therefore, leads to inefficiency and high labour costs, The experience with most Indians that were employed at one time or another in such operations was that they would quit voluntarily without notice, or be discharged for continual tardiness and absenteeism.

“(b) A number of Indian and Metis workers did, nonetheless, gradually become adjusted to the rigid schedules and requirements of mining and smelting or pulp and paper work. As on the Hudson Bay Railway line, company records show that numerous workers quit work several times, were re-employed, and finally ‘settled down’ to become ‘steady’, ‘reliable’ employees. A number of these, however, were finally ‘beaten’ by the pressure of the familiar family and kinsfolk obligations, with all the tensions, frictions and anxieties that these tend to create. In some cases the Indian’s or Metis’ home village was too distant for daily commuting, or for visits home on weekends, without an exorbitant cost to the worker. On the one hand, then, the Indian or Metis who left his wife and family back in the home community, in coming to work in an industrial town, would become lonely, anxious, and frustrated, worrying about his wife ‘playing around with other men’, or not being able to ‘get by’ and ‘look after the kids’ without his help at home. On the other hand, the Indian or Metis (well paid as he was by customary standards) who rented or bought a house in town and brought his family in, or whose reserve community was close enough for commuting, would soon find himself inundated with relatives and others who would ‘eat and drink him out of house and home’. No matter how hard and conscientiously he might work and how much money he might earn, he would find himself no further ahead in the long run (or frequently, find that he was getting increasingly in debt). This, of course, is discouraging to individual incentives and morale. The reaction of the individual Indian or Metis caught in such circumstances tends to be either: (i) to ‘give up’, quit his job and revert to the traditional way of life and standard of living based on hunting and trapping, fishing, and relief; or (ii) take to drink to relieve his tensions, and sooner or later be fired for tardiness, absenteeism, careless or inefficient work, (Note: The traditional pressure on the better-paid or more fortunate to ‘share’ is perhaps particularly strong in situations

“like these, where a few secure, well-paid employees have many indigent friends and relatives, and especially where such employees continue to reside in or near their home reserves, among fellow residents who live on a much lower scale, depending on odd seasonal jobs and relief,) Individual cases were cited to us in our survey. in which men averaging \$7,000 a year or more, rent-free, found themselves getting steadily further in debt. Alternatively, in a few cases the breadwinner was able to free himself from such pressures only at the expense of virtually severing his and his family*s emotional ties with kinsfolk and friends, and facing considerable hostility and ostracism from fellow members of the band. Success for a few individuals does not seem to have served as a ‘symbol* of inspiration, to induce others to improve their work habits or strive for higher levels of attainment, Reactions of the less successful tend to be those of rationalization (‘he*s just lucky* or ‘he*s got pull*) or of resentment (who does he think he is*) rather than admiration of a model whose example is worth copying.

“(c) These tendencies on the part of Indians, and to some degree Metis, in turn affect the attitudes of Whites in larger industrial towns. An unfavourable stereotype of the ‘native* develops, due to rather glaring examples of drunkenness and prostitution, overcrowding and slum housing, the slatternly appearance of womenfolk, lack of accepted standards of personal cleanliness and sanitation, and the like. Each community seems to have some sort of limit to its willingness or capacity to ‘absorb* Indians and Metis, as indicated above in the limited numbers that reside in such towns as Fun Flon, Thompson and Pine Falls. A more or less subtle type of organized pressure or ostracism tends to develop among Whites in such communities, to prevent the rent or sale of housing to Indians or physically recognizable Metis, or their employment in various jobs in the sales or service field that Involve ‘meeting the public* This, together with the unfavourable reputation that Indians and Metis tend to have as ‘shiftless* and ‘unreliable* workers, tends to ‘freeze them out* of job opportunities in the multiplicity of secondary and service industries that develop in towns that have developed around one major industry such as mining and smelting or pulp and paper processing.”¹

The implications of the experiences outlined above seem highly important in regard to employment opportunities for Indians and Metis in new, rapidly expanding industrial communities such as Thompson and, possibly in the future, new towns that may develop around new pulp and paper plants..

Fairly long-established industrial towns such as Fun Flon or Pine Falls in Manitoba, appear to have already achieved most of their potential growth. Their own population supplies most or all of their labour needs except for a few highly specialized personnel who have to be recruited elsewhere. The attitudes and policies towards Indians or Metis tend to jell into certain patterns, owing to long experience.

In a new, rapidly growing community, however, such jelling has not had time to develop, and the potential opportunities for fitting Indians and Metis into new employment would seem greater. Thompson and the Inco mining and smelting operations nearby would seem to warrant special study in this regard.

Inco*s huge investment in the complex nickel mining and smelting operations at Thompson, and the rapid growth of the town itself over the past years, has been the most highly publicized showpiece of economic growth in Northern Manitoba. In such developments as these lie the region*s main economic hope. A few more such developments, particularly in locations having good mineral prospects such as Island Lake and God*s Lake, would make it economically feasible to build railroads and roads or highways into areas now virtually inaccessible by land transportation. Such facilities, in turn, would make it feasible to tap resources (particularly timber) that up to now have been uneconomical to utilize because of distance from markets and impossibly high transportation costs. And, as noted, the mining and smelting industry payroll has a multiplier effect in the variety of secondary and service industries that it can support.

¹S. Jamieson, H. Hawthorn, “The Role of Native People in Industrial Development in Northern Manitoba, 1960-1975”, A Report prepared for the Committee on Manitoba*s Economic Future, 1962, pp. 169-174.

In purely statistical terms, the town of Thompson alone would seem to offer a potential increase in employment and income opportunities more than enough to meet the needs of Northern Manitoba's entire resident native population. Its present population of 6,000 is expected to grow to possibly 20,000 within a few years. It is safe to say that Indians and Metis have reaped very little benefit from this major development, directly or indirectly (except, as noted, the temporary clearing and construction work in the initial stages).

By far the majority of people now making their living in Thompson have been recruited from Southern Manitoba, or from other Canadian provinces and other countries. Very few Indians and Metis from the surrounding area, as noted above, have managed to get regular employment in the community.

Thompson's development has been very carefully planned and controlled from the outset. Every effort has been made to avoid going through the stage of being a wild mining town. The only access from Southern Manitoba or else-where to Thompson is by air, or via the Hudson Bay Railway through The Pas. Individuals seeking employment with Inco at Thompson must have medical certificates from their place of residence, and are screened again at a company employment office (with medical check-up) at The Pas. Single men, or men separated from their families, are lodged in bunkhouses located near the main smelting operations. As in most mining and smelting communities, there is high turnover among these (the most frequently quoted estimate is about 200 a month).

The main residential and business section with single-family dwellings and duplexes, retail stores and service outlets, and other facilities, is physically separated at some distance from the smelter, company offices and bunkhouses. This, as noted, is a carefully planned town that aspires to high minimum standards of housing, community facilities, and general layout. A limited amount of rental housing is available. Most houses are built and sold by private contractors or realtors, and financed by Central Mortgage and Housing Corporation. A worker, to acquire a house of his own (generally \$15,000 and up), has to save up a minimum down payment and finance the balance with a mortgage which the employer will guarantee or underwrite. Inco guarantees such mortgages for its employees where their work records, rates of pay and future prospects seem to warrant obligations assumed.

The company in its employment policies has been careful to avoid any appearance or charge of racial discrimination. (As noted before, it was impossible to get an accurate count of Indians and Metis on the payroll, because in application forms and in employee records on file, it is prohibited by law from asking for or making reference to an employee's racial background or religious affiliations.) Certainly one gets the impression that the residents of Thompson represent a wide variety of ethnic and language backgrounds. Spokesmen of the company emphasize that Indian and Metis applicants for employment are treated on exactly the same basis as representatives of any other group. If they go through the same channels and meet the minimum medical requirements, they are accepted equally for jobs for which their education or training suits them, and their tenure on jobs depends on meeting minimum standards of competence, punctuality, reliability, and so on.

In practice, however, the system is one that tends to virtually exclude most Indians and many Metis from getting employment in Thompson, or from keeping their jobs if accepted. As usual, in such situations, in the course of a survey of this kind one hears numerous charges of deliberate discrimination by Inco and smaller private employers at Thompson against Indians and Metis. The truth of this would be impossible to ascertain without detailed investigation. Indians, and to a lesser extent Metis, tend to be excluded by factors other than hiring policy. Considering the special social, psychological and other disadvantages they face in adjusting to the complexities of urban-industrial life, a policy of complete impartiality, of treating individuals of every racial or ethnic group on an absolutely equal basis in terms of objective medical or technical criteria, tends to mean that many Indians and Metis are rejected in the competition for jobs and living accommodation. There is the familiar difficulty of Indians adjusting to rigid work schedules on shift in a highly mechanized industry. And there is also the familiar problem of loneliness of the individual worker, living in a bunkhouse and

separated from his wife and family on the home reserve (and a visit home is expensive, in so far as in most cases it requires travel by chartered air-plane at 50¢ a mile). Regular full-time employment on a permanent basis, and moving one's family into town, on the other hand, involves saving up a down payment for a house and assuming large and long-term financial obligations, in the form of a 20-year mortgage of \$10,000 or \$12,000 guaranteed by one's employer. In terms of their standards of living and saving or spending habits, very few Indians or Metis are in a position to assume financial burdens of such size or duration.

Other aspects of a community such as Thompson likewise tend to have the effect of excluding most of the resident native population from surrounding areas. By definition, a planned community (planned on the basis of urban White middle-class or upper working class standards of housing, sanitation, clothing and deportment generally) has no place for Indians or Metis emigrating from semi-isolated reserves or fringe communities that depend on seasonal outdoor employment supplemented by relief at far lower material levels of living. Thus officials responsible for administering the new hospital in Thompson expressed reluctance to accept patients from Indian communities in Northern Manitoba for fear that this would lead to hordes of relatives or friends inundating the town on visits, with all the problems of conflicting standards of behaviour that this would present. Similar opposition for much the same reasons has been expressed to suggestions for establishing residential high schools or vocational training institutes for Indians in Thompson (which would have the advantage of training and familiarizing Indian students or trainees with the techniques, ways and requirements of industrial work and urban living of a type that is rapidly developing in their midst). Spokesmen for a carefully planned community along such lines point to The Pas as the example of an unplanned, disorganized community that the Indians and Metis have taken over and ruined -- a pattern that must, they feel, be avoided at all costs.

To the degree that an expanding industry such as mining and smelting and its various tertiary activities fail to absorb native resident workers into employment, this should properly be considered a cost to be assessed against the benefits of industrial expansion for the economy as a whole. How large a net benefit does the province of Manitoba receive if, for every new job created in Thompson a new worker is brought in from outside, while another Indian or Metis has to be supported (at a high cost per capita) on relief? (The cost to the province is perhaps minimal, and the net gain large in the case of Indians, of course. in so far as the federal government meets the cost.)

Other by-products of industrial expansion that operate to the detriment of the local people's interests and livelihoods should or could be considered as costs directly attributable to such expansion. There is, for instance, some depletion of resources on which local residents depend to some degree for their livelihood. Large mining and smelting plants and townsites take up amounts of land formerly used for hunting and trapping; wastes from industrial plants pollute rivers and lakes and cause depletion of fish; flooding large tracts of land and the building of dams, reservoirs and power plants likewise tend to cause depletion of fish and game resources; the building of roads that make new areas accessible to large numbers of people depletes game and fur-bearing animals; and so on.

Again, as noted earlier, the temporary boom in employment and income that new industrial growth during its early stages of development provides for local natives, tends to operate to their disadvantage later on. For a brief period they are able to enjoy relatively high rates of pay and high levels of expenditure while employed on rough construction jobs. These reduce their incentives when they must return to the more difficult and lower-paid activities of fishing, trapping, pulpwood and fuelwood cutting.

And finally, there are the costs of social disorganization and demoralization of large numbers of Indians as another by-product of industrial growth. The International Nickel Company, and the City of Thompson, as described earlier, have been largely able to avoid these costs by a rigorous program of town planning and job selection and placement. To a large extent, the problems created by Inco's and Thompson's growth have been dumped on such

communities as The Pas. Large numbers of single males continually come through The Pas for employment in Thompson and other mining and smelting communities. Others come through often with their bankrolls after quitting jobs in the north, or on holiday. For both groups, one of the main attractions of the town seems to be seeking Indian and Metis women. Bootlegging and prostitution, consequently, have the status of service industries in the community, particularly for Indians and Metis, blocked, for various reasons, from other fields of employment and income. But the demoralizing effects of this situation render many of them that much less adaptable to or suited for gainful employment in the urban industries that offer the greatest possibilities of expansion.

Such costs as these and others that could be listed, are now borne almost entirely, directly or indirectly, by governments and taxpayers at all levels: federal, provincial and municipal. To what extent should some of them also be borne by the industries themselves? Such costs might conceivably take the form of requiring that large mining and smelting companies and other private employers be required to hire larger numbers of Indians and Metis for on-the-job training and full-time employment; to provide them rental housing, or credit for purchasing adequate housing, furniture and appliances, as well as full and equal access to and use of community facilities for education, recreation, health, and medical care, etc.; and to provide special personnel for guidance and counselling, to help Indians and Metis from the bush to adjust to the complexities of urban living. Such items would be costs, directly in terms of additional outlays that employers would have to make for such extra facilities and personnel, and indirectly in the form of lower levels of efficiency and output per man hour of Indians and Metis as compared to White workers. From the viewpoint of the economy as a whole, the imposition of such requirements would presumably prevent industrial expansion and economic growth from achieving their full potential in fields like mining and smelting (as it has in trapping, fishing and lumbering).

The answers of employers and company spokesmen to such a suggestion are clear, unequivocal and (on certain assumptions) logical:

- “1. That private industry -- particularly in such a risky and competitive field as mining and smelting -- should not be expected, singlehanded, to solve the economic and social problems of Indians and Metis (particularly where such problems are, to a large extent, the result of a century or more of inadequate, or misguided, policies of government); and
2. That, in terms of labour legislation at the federal and provincial levels, as well as in terms of fair or equitable company policy (and written into agreements with unions) employers cannot properly, or legitimately, discriminate between Indians and Metis on the one hand, and Whites on the other (and favouritism or special treatment of the former, it is pointed out, means discrimination against the latter).

Both positions are open to criticism. With regard to the first, we would reiterate the principle enunciated earlier: any private interest operating under a publicly conferred privilege or licence (such as the exclusive right to utilize resources in a particular area for private profit) should be made to bear at least part of the costs (in the form of losses incurred directly or indirectly by the locally resident population as a by-product of such industrial expansion and resource use). With regard to the second point, there are strong arguments for making a special case for Indians and, to some degree, Metis. Because of their backgrounds, the system of administration under which they are governed, their distinct way of life, and the unfavourable stereotypes and attitudes they have to face in White communities, Indians and Metis operate at a special disadvantage in most labour markets, and have special problems of adjustment to the complexities of urban-industrial life. Where they are forced to compete on a basis of equality with other groups (on the basis of criteria of technical or social adequacy defined by the White majority) they must lose. In a word, equality of opportunity and free competition by our standards ensures that Indians and Metis will fail and equality in a more final

sense can be achieved only if this minority is given special consideration and special preparation for competing on an equal basis with Whites and others for jobs, housing and other facilities.”

In brief, expanding industrial communities such as Thompson seem crucial to improving the economic welfare and integration of the Indian and Metis population of such regions as Northern Manitoba. The process of employing and absorbing any large and growing numbers in the near future, however, poses many complex and subtle problems. The efforts and costs involved cannot be expected to be assumed entirely by mining and smelting companies and other private employers. They will require, rather, careful planning, a share in financing, and close cooperation among government agencies at all levels, private employers, and various representative institutions and organizations (churches, trade unions, service clubs, and the like). Some of the more specific steps that could or should be taken to this end are discussed in the following chapter as part of the overall problem of fitting Indians and Metis into urban industrial life and work.

If an adequately large and comprehensive program were undertaken along such lines, there would seem to be no sound reason why distance or provincial boundaries, as such, should create any severe barrier to the migration and reestablishment of Indians in new employment. It would probably prove economical, in the long run, to assist relatively large numbers of Indians to move hundreds of miles from their present locations in depressed areas such as Northeastern Manitoba to centres of industrial expansion in Northern Ontario, to Northwestern Manitoba from Northern Saskatchewan, the Northwest and Yukon Territories to Northern Alberta and British Columbia, and the like.

(c) The Southern and Central Prairies

A number of Indian communities in the southern and central Prairie region present a special problem for which there is no easy solution.

The Prairie region generally presents a problem of over-population, in terms of the numbers of people that can be adequately supported by a predominantly agricultural economy, if optimum-size farming operations were generally adopted. Reflecting this relative over-population, the provinces of Manitoba and Saskatchewan (and Alberta until the late 1940*s) have experienced since the 1920*s and particularly since World War II, large losses of population through migration to Ontario, British Columbia and various parts of the United States. Despite these losses of population numbering in the hundreds of thousands, mainly from rural areas, the region is still characterized by excessive numbers of marginal or sub-marginal farms, too small in terms of acreage and capital investment to be operated efficiently enough to provide adequate returns on the labour and capital expended. Many such farm operations have had to be subsidized, therefore, partly from government expenditures and partly from the farm operators* earnings from labour in other industries.

Among the most economically depressed and dependent bands in the country, as noted before, are a number in the Prairie region. Most of them have too little land to support their members adequately on an agricultural basis and do not utilize what land they have at anything near peak efficiency. Alternative employment opportunities are generally lacking for the residents in the region because of limited industrialization in the region, the existence of an already surplus under-employed White population, and excessive competition for jobs in cities and towns.

In view of this larger picture, the conclusion seems unavoidable that Indians will need the opportunity to participate with Whites in the general migration of surplus rural population to other regions having more remunerative job opportunities. Otherwise the Indians will remain, as they have for decades, a depressed group having no meaningful economic role to play in an increasingly large-scale farm economy. To facilitate such migration, of course, would require a large and comprehensive program of special training and financing of Indians.

(d) The Maritimes

Essentially the same conclusions would seem to apply to the few thousand Indians in the Maritime Provinces. This region, of course -- particularly New Brunswick -- generally has the highest rates of unemployment and the lowest per capita incomes in Canada. Here the basic problems are depletion of resources (especially timber), obsolescence (especially coal), and distance and high transportation costs from major potential markets. Barring massive federal investments and expenditures on an unprecedented scale, coupled with large subsidies and other inducements to entice outside capital to invest in the region, one can see little prospect for substantial improvement in the economic position of the Maritime population, White or Indian.

(e) Other Rural Areas

In a number of other areas besides those mentioned, there are numerous bands that own or have access to large areas of land suitable for farming, while a large proportion of their members are unemployed and dependent on relief. It seems only reasonable, therefore, that idle people and unused resources should be brought together in workable combinations to produce some employment and income for the residents. A major part of the Indian Affairs Branch program for economic development hitherto has consisted of such local resource projects. Farming, in particular, has accounted for much of the Branch's expenditures of capital and the time and effort of its personnel.

The merits of such a policy are, at best, questionable. It is not sound economic policy, under all circumstances, to utilize fully any or all unused resources available. Sound economic policy, rather, consists of allocating labour and capital to those activities that offer the highest rates of return per unit of expenditure. In the nature of the case, it is often economically sound policy to leave resources unused where the returns of labour and capital are inadequate as compared to other potential uses.

Encouragement of Indians to farm seems a particularly inappropriate policy in all but a few cases. Despite the fact that the total number of people engaged in farming in Canada fell by 21 per cent from 1951 to 1961, while the population as a whole increased by more than one-third, in no industry is there such a large number of uneconomically small, submarginal, low-income operators and low-paid labourers. As noted before, in most types of farming today the most efficient unit of operation is large and growing rapidly in terms of acreage and even more in the size of capital investment required for up-to-date plant, machinery, equipment and livestock. Increasing numbers of small-scale family farmers are able to survive only by the help of government subsidies and by engaging in outside wage employment.

Indians, with few exceptions, have shown lack of preference or aptitude for farming. Replies in the Resources Questionnaire and other reports from the Indian Affairs Branch personnel show in almost every case that the members of bands with tracts of farmland have failed to utilize them to the full and in many reserves farming has been abandoned entirely. Some critics blame the Indian Affairs Branch for not providing a sufficient corps of properly qualified agricultural experts to provide adequate training of Indians in efficient farming operations. A far more important reason for the failure, however, probably lies in attitudes of apathy or disinterest among Indians to farming as a way of life. This is indicated by the figures presented in Table III, Chapter V, as to reasons for the failure of Indians to utilize local resources. As indicated in the table, the reasons most often mentioned are "attitudes of reserve residents" (18) and "attractiveness of wage employment" (16), as compared to "educational level of Indians" (15) and "lack of vocational training" (12). In any case, at a time when many skilled, experienced and highly motivated White farmers are finding it increasingly difficult to make an adequate livelihood, it seems doubtful that an expensive program for training and financing large numbers of Indians to engage in farming would be an economically justifiable investment. In the majority of cases an equal investment of money, time and personnel to help them re-establish themselves in other occupations and centres of wage employment would contribute far more to their economic development.

In some bands, of course, there are individuals who have special aptitudes or capacities for farming. Where the land is available to them economically, they should be given aid and encouragement to operate on the most efficient basis possible. Such individuals, however, are a small proportion of the total Indian population and can contribute little to their general economic development.

CHAPTER X

CONCLUSIONS ON THE MAJOR ECONOMIC ISSUES

Introduction

Some of the criticisms and recommendations presented below are, or soon will be, out of date. They are based on some familiarity with the Indian Affairs Branch structure and operations -- particularly of its Economic Development Division -- at the time this study was undertaken, early in 1964. Already hardly more than a year later at time of writing (Summer, 1965), the Indian Affairs Branch has undergone a considerable reorganization in structure, launched new programs with a considerably different emphasis in policy than has applied hitherto, and added new personnel. A number of the recommendations outlined below, therefore, may turn out to be mere endorsements of policies that the Indian Affairs Branch is already in the process of instituting or is even now carrying out. The first section of this chapter is broadly descriptive and discursive in dealing with a number of controversial questions of policy concerning Indians and the Indian Affairs Administration. The purpose is to provide some background explanation for the recommendations that follow. Most of the points raised here, as well as others derived from preceding chapters, are summarized and listed in more condensed form in Section B.

A. General Observations

Administration

The annual budget of the Indian Affairs Branch has increased several times over since the war. In general, it appears to have grown far more rapidly than most other branches of the federal government. This should not, however, obscure the fact that the budget is still far from adequate to undertake development required to bring the Indians to a status approximately equal with Whites, economically and socially. The present backwardness and depressed economic and social status of most Indians reflects, in large part, the past failures of governments at all levels to invest enough money in, and commit enough personnel and time to, their development economically and socially.

To present some very broad and crude comparisons: the budget of the Indian Affairs Branch was a little over \$60 million last year, or approximately \$300 for every Indian. To this should be added the approximately \$20 million budget of the Indian Health Services. This is the budget to provide facilities and services to a minority comparable to those provided to more than nineteen million other Canadians by government agencies. By comparison, the total federal government budget in 1964 was \$6,550 million, including \$3,042 million for goods and services, \$2,235 million for transfer payments, \$995 million for interest on bonded indebtedness and \$278 million for subsidies; provincial and municipal expenditures combined for these categories were, respectively, \$5,565 million, \$1,924 million, \$937 million and \$39 million (Canadian Statistical Review, July, 1965). All told, total government expenditures at all levels amounted in 1964 to \$14,376 million for Canada's 19.4 million

people, or about \$740 per capita, as compared to the Indian Affairs Branch's expenditures of about \$300 per capita for Indians alone, a rate of almost 2:1.

Obviously, of course, such figures above present a distorted picture in some respects: (1) Defense expenditures alone account for about \$1,500 million of the Federal Budget, and these should be viewed as a charge against the population of the country as a whole. On the other hand, Indians, in view of their location and the types of jobs they specialize in, probably get very little benefit, directly or indirectly, from the jobs and incomes generated by defense expenditures. Similar observations would apply to a number of other types of items, such as foreign trade, law and order, and the like; (2) similarly, in the large item of \$2,235 million federal expenditures for transfer payments, Indians may be assumed to be benefiting, at least equally with Whites, from such items as family allowances, old age assistance and pension payments (which are over and above expenditures by the Indian Affairs Branch); (3) similarly, Indians may be presumed to benefit from numerous provincial and municipal expenditures, for which neither they nor the Indian Affairs Branch are held directly chargeable such as roads and highways, law enforcement, and conservation and development of natural resources.

Allowing for all these, however, it is still true that a large and perhaps major part of public expenditures at all three levels is for facilities and services for which the vast majority of Indians, because of their geographic and social isolation, ignorance, lack of training, or other reasons, are unable to make any significant use. Our universities are an outstanding example, and much the same generalization would apply to a wide list of other public facilities and services, in the category of social capital that are heavily concentrated in the cities and towns of the nation, in which reside only a small fraction of the Indian population but a major part of the population as a whole.

Much the same generalization applies to privately financed and managed business or industrial operations. A common estimate is that it takes, on the average, a capital investment of about \$10,000 to create one new job, ranging from a few hundred dollars in small-scale retail or service operations to \$50,000 or more in highly automated operations such as oil refining. By far the major part of privately owned facilities and services in stores, office buildings, industrial plants and other outlets is likewise concentrated in larger cities and towns in which, in the aggregate, most of the nation's people reside. With these facilities most Indians have little or no contact whether as employees, customers or clients.

In general, then, most Whites have lived and worked most of their lives in complex environments in which there have been investments in the tens of thousands of dollars per capita, in private and public facilities, and annual per capita expenditures in the thousands. Most Indians, by contrast, live and work in relatively simple environments that have involved investments of a few hundred -- or at most a few thousand -- dollars per capita, and annual per capita expenditures in the hundreds of dollars.

All told, therefore, any program that is seriously designed to raise the Indian population to a level of competitive equality with Whites will have to be a truly massive undertaking by comparison with the limited bits-and-pieces program that has been followed hitherto. There is a tremendous job of catching up to do, owing to decades of previous neglect. One cannot expect it to be done with the limited budget that the Indian Affairs Branch has been getting. We must expect that it will cost thousands of dollars per capita, and hundreds of millions per annum in the aggregate, to provide Indians with the facilities and services needed to bring them up to White standards. Part of this increased expenditure will be necessary to provide more and better capital, public facilities, technical aid and other services to the areas in which they now reside. A larger and increasing part will be required to bring them to the capital -- that is, to finance the training and conditioning, movement and relocation of increasing numbers of Indians from their present areas of residence to industrial or business centres in which the main opportunities for economic growth exist.

Anything less than a massive program on some such scale is likely to be inadequate. It may provide maintenance but certainly not much in the way of

development. Economic development of Indians in Canada, in brief, should perhaps be viewed essentially as one special part of the government's war on poverty. It will require many of the same programs, involving special educational and training facilities, travel and rehabilitation grants, and the like. But it would also require special provisions of its own, in so far as Indians present a special aspect of the larger problem of poverty in this country.

Much of this past neglect of Indians has been due to the rather isolated and anomalous position of the Indian Affairs Branch in the governmental structure. On the implicit assumption that it could look after its own, it has frequently been ignored or by-passed by governments at all levels. As separate enclaves under federal jurisdiction within the various provinces, Indian bands have failed to receive many of the benefits of provincial expenditures in such fields as education, public works and resource development projects. On the other hand, owing perhaps to inadequate liaison or pressure from the Indian Affairs Branch on other departments in Ottawa, bands have also failed to receive benefits from numerous federal-matching grants to the provinces and municipalities. An outstanding example is the Prairie Farm Rehabilitation Act. From the mid-thirties to the mid-sixties, more than \$800 million of federal funds were expended on this program -- and in other provinces besides the Prairies. No Indian band received any funds from it until a couple of years ago, and then only a few thousand dollars.

The Indian Affairs Branch has established much better liaison with other governmental agencies at all levels in recent years. This has been particularly noticeable in the fields of education and welfare at the provincial level, and in various Federal-provincial and Federal-municipal cost-sharing arrangements, such as the Winter Works Program. It is to be hoped that the Branch will have a high priority in any funds allocated to various agencies for the program of the war on poverty.

Indian Affairs Branch

The economic development program of the Indian Affairs Branch and the structure, policies and objectives of its special Economic Development Division appear to be inadequate and inappropriate in several important respects. (Note: To repeat, the criticisms that follow apply to the situation as of early 1964. There have been significant modifications since then.)

- (1) The total budget of the Indian Affairs Branch, as noted earlier, is wholly inadequate in relation to the responsibilities it is called upon to undertake on behalf of Indians. And within this context, the annual budget and personnel allotted to the Economic Development Division are inadequate and out of balance with other major aspects of Indian Affairs Branch Administration. To put the picture into some sort of focus: Out of the total Indian Affairs Branch budget of some \$62 million in 1964, about \$30 million, or one-half, was spent on education, and another \$20 million on welfare. The new Community Development Program in 1964 was budgeted for \$3.5 million over a three-year period.

The Economic Development Program, by comparison, was budgeted for only \$1.5 million per annum (or about \$7 per capita for the 200,000 Indians across Canada). Capital items, as distinct from the annual operating expenses, account for possibly another million a year.

Just how inadequate this is may be judged in relation to the fact noted earlier, that each additional job created in the economy as a whole is estimated to require an average capital investment of some \$8 - \$10,000.

- (2) The main time and effort of its personnel appears to have been devoted to what might be called economic caretaking or maintenance rather than economic development. This is perhaps mainly a carryover of the traditional role of the Indian Affairs Branch as a trustee or caretaker of the Indians as its special responsibility. At any rate, many of the personnel are engaged merely in keeping accounts and records of such matters as land titles and leases; band fund revenues and expenditures; loans and grants; etc.

- (3) There is far too much emphasis on the resource industries from which Indians have in the past derived much of their livelihood; namely, game (including trapping), fish, farming and forestry, and far too little on industry and commerce, in the broad sense, and outside wage employment. This is clearly brought out in the structure of the Economic Development Division. There is a head with an assistant for each of the four resource industry divisions listed above, as well as for Engineering and Mineral resources (including oil and gas). There is, however, no division head or other personnel for industrial or commercial development (though there is a placement division head).

This emphasis, as noted earlier, shows up clearly in the Resources Questionnaire which the Economic Development Division prepared and circulated to all agency superintendents to complete.

- (4) Another improvement in the structure and program of the Economic Development Division would come not only from an increase in funds and in personnel generally for various functions, but also in trained professional personnel in key positions. Of the special branches with the Division at the Ottawa headquarters, only the heads of the Mineral Branch and the Engineering Branch are qualified professional specialists in their respective fields. The first Chief of the Economic Development Division was an administrator of long experience in the Indian Affairs Branch, and he has recently been transferred to another administrative post. Ideally, the chief should be a professional economist, who has had some years of practical experience in the field of economic development. In addition to the lack of an Industry and Commerce Branch within the Division, there is also lacking an Economics Research staff. The personnel in each branch of the Division are engaged in dealing with detailed records and accounts, requests for funds, proposed projects in different communities drawing up budgets, etc. almost exclusively within their own particular area of jurisdiction. Personnel in one branch seem to have little or no idea of what those in other branches are doing. There is no research staff whose job it is to correlate the data accumulated from the various branches, let alone gather other useful data that are not accumulated by present methods -- and put them together into a coherent overall view. Such a staff is needed, responsible directly to the Division Chief to provide the material on which a workable, properly balanced and dynamic economic program could be built. Much of the same deficiencies in size and professional qualifications of staff seem to apply at the regional and local levels.

These weaknesses, again, come to light in the questionnaire which is designed to provide a complete "inventory of human and material resources" of Indian bands across the country. Not only are some aspects overemphasized and other important ones ignored, as noted earlier, but some of the questions asked also require, for an adequate answer, knowledge or experience that many agency superintendents or their assistants are not likely to have. A really adequate survey of the resources, income and employment potentials would require teams of qualified specialists to visit and assess virtually every band in the country.

In general, an improvement in personnel in the Indian Affairs Branch, particularly in its economic development program, would appear to come from an abandonment of a policy of relative isolation and self-containment. Staff for key positions appear to be recruited from within, based on their administrative experience and skill in the Branch, rather than for their expertise or professional training and qualifications for the special functions they are called upon to perform.

- (5) The Division's program for economic development appears to have lacked any sort of overall consistency or central theme. It appears to consist of innumerable small bits-and-pieces of local resource development projects -- a fishery here, a logging project there, and a land clearing or fur conservation program somewhere else. Most of these appear to be in the category of make-work or employment-relief programs, designed primarily for the bands suffering the worst degrees of unemployment and dependency.

The extreme emphasis on development of resource industry seems, on the whole, inappropriate for any program of economic development for Indians. Long-term employment prospects in these industries have been declining for several decades. This decline was particularly pronounced during the 1950's, and shows every prospect of continuing. While total employment in Canada increased by 21.6 per cent from 1951 to 1961, employment in trapping and fishing fell by 30.2 per cent, in logging by 21.4 per cent, and in agriculture by 21.9 per cent. Even these figures under-estimate the true picture, for there is considerable underemployment in these fields -- that is, excessive numbers of submarginal operators or workers earning inadequate incomes, whose removal from production would, if anything, increase total output by facilitating larger-scale, more efficient operations. By contrast, employment in such fields as construction, sales and service trades increased by more than one-third during this period. Any developmental program for Indians in the resource industries, therefore, can be at best only a sort of holding action to enable decreasing numbers to derive their livelihoods from this source, while the main avenue of improvement in the economic status of Indians must lie in speeding up their absorption into outside wage employment.

- (6) As against the prevailing emphasis on local resource industries, there appears to be a special need to expand the employment placement program and personnel. At present, there is every indication that this aspect of the Indian Affairs Branch's economic development program is badly under-staffed. There is one division head and an assistant at the national headquarters in Ottawa, while most provincial regional headquarters in each province have one or two only.

According to the most experienced and successful placement officers in the Branch, the optimum revolving case load is about fifty. The officers must interview job applicants or prospects and judge their aptitudes and capabilities; maintain adequate liaison with the business community generally, and interview individual employers as to job prospects and requirements; follow employees for a year or two after they are placed (i.e. handle their grievances and problems of adjustment; intercede with the employer when troublesome issues arise; and so on). From a purely economic standpoint, a considerable expansion in the placement staff would be a profitable investment, for every Indian placed successfully in permanent employment represents not only a saving in welfare costs but a contribution of hundreds of dollars in income taxes as well. From the experience of several years of placement work in Southern Ontario, officials in the Indian Affairs Branch headquarters in that region alone estimate that they could fully utilize at least eight to ten more such personnel or, ideally at least, one such officer for every major urban industrial centre having a sizeable Indian population within a twenty-five to fifty mile radius. To an increasing extent, furthermore, personnel in this area are having to place Indians migrating from Northern Ontario and from other provinces.

The above applies mainly to Indians placed in permanent employment, largely in manufacturing, service and clerical or office work in a highly industrialized region like Southern Ontario. In other provinces a much larger number and proportion of placements will continue to be for some time in temporary or seasonal jobs in such fields as land clearing and construction, logging and sawmilling, railway and highway maintenance. Presumably the follow-up time would be less and the optimum case load larger. The need for more trained personnel is as urgent, however, for temporary or seasonal employment in such fields is often the first experience of Indians in wage employment away from their reserves and the first experience of employers in hiring Indians. It is important, therefore, that everything possible be done to make the experience satisfactory to both sides. In many cases, shortages of personnel have led the Indian Affairs Branch to place Indians in employment simply by recruiting the number an employer requests without adequate interviewing and selection beforehand, and sending them off to the job with little or no follow-up. The result has often been dissatisfaction, high turnover and quitting without notice on the part of the Indians, and a prejudice on the part of the employers against hiring Indians again.

- (a) This recently valid criticism of the Indian Affairs Branch's economic development policy is likewise somewhat out of date at this point for some provinces. In British Columbia, for instance, the Branch has placed major emphasis on job placement rather than local resource development. Where last year (1964) it had only two placement officers on its staff, this year it has positions open for no less than twelve, nine of which have been filled to date. These men have had some notable achievements to their credit. In one case, a contractor working on the major Peace River power project last year asked for 150 Indian workers. The Branch placement officer in Williams Lake visited by helicopter more than a dozen Indian bands over a wide area, recruited the work crew, arranged for their transportation and for providing them with power saws, etc. The contractor found them so satisfactory that this year he asked the Branch to recruit more than 200 for another major clearing operation. The placement officer has been ordered to stay on the project to follow up the placement.
- (b) The Branch also has recently established what would appear to be a rational division of function as follows: (1) the placement division, and placement officers in each region are responsible for attempting to place Indians in unskilled or semi-skilled categories in wage employment. Most of such placements, as noted, have been in seasonal or temporary jobs, in such industries as clearing and construction, logging and sawmilling; and (2) the placement of the relatively few Indians who have taken special education and training that qualify them for skilled manual, white collar or service jobs, has been transferred to the education division.

Notable gains have been achieved in both areas, They still leave uncovered, however, what would appear to be the largest and most important single area of potential new employment opportunities for Indians -- that is, semiskilled (and, in time, skilled) full-time employment in industrial plants, business firms and offices, and service establishments in small or medium-sized industrial towns and business centres that are within relatively easy access of large under-employed Indian populations. In dozens of such centres across the country one can observe business and industrial growth and new job opportunities developing, while around each centre, within a radius of fifty or 100 miles, are numerous impoverished Indian bands with total populations in the thousands, The town of Kenora is an extreme example of this. The economic role of Indians in such communities appears to be, at best, that of casual, temporary and unwelcome visitors, customers and spectators of White society.

The Indian Affairs Branch has been widely criticized hitherto on the grounds that its program in general, along many lines of policy, has been one that encourages Indians to stay on their reserves, rather than to work and live outside. The Indian who stays on his reserve can get financial assistance to build a home for himself and family; if he leaves, he has to shift for himself and find what quarters he can. On the reserve, the Indian family is assured minimum relief and welfare, medical and health services and facilities; when he and his family leave the reserve, the Indian Affairs Branch, faced with a limited budget, tends to take the position that the Indians are the responsibility of provincial and municipal governments and, at best, will merely recompense the latter for services rendered to Indians who have retained their band membership and Indian status.

What is suggested is that, in so far as the economic development of Indians lies primarily in wage and salaried employment, and that for most Indians such employment lies beyond commuting distance of their reserves, a large and increasing part of an expanded Indian Affairs Branch budget should be used to support Indians who wish to leave their reserves. The first priority of the housing budget should be for Indians who wish to take their families with them to new centres of job opportunities -- and housing aid for these should be made more liberal than those for reserve residents, because acceptable standards of housing for most urban White working-class and middle-class residents are considerably above those acceptable on most reserves. If provincial and municipal government agencies are willing and able to provide educational, health, welfare and other necessary facilities and services to Indians superior to those that the Branch can provide, well and

good. If not -- depending upon the policies of particular provincial governments -- then the Branch should be provided with a budget and personnel to supply such facilities and services on its own, even if the individual province be expected to assume such responsibilities.

Special Problem Areas

As stressed before, there is a wide diversity in resources and job opportunities available to different Indian bands, and a wide variety of socio-psychological factors, attitudes and behaviour patterns operating within and around different band communities. Even when the bands are grouped more or less arbitrarily into broad categories, each of these calls for a considerable variation in emphasis in programs designed to encourage greater economic development.

Semi-Isolated Northern Bands

The Indian communities that face some of the most urgent and difficult problems of economic development appear to be the numerous bands scattered throughout the vast northern belt of the country, encompassing most of Quebec, Ontario and Manitoba, roughly the northern one-third of Saskatchewan and one-quarter of Alberta, a smaller fraction of British Columbia in terms of Indian population, and virtually all of the Yukon and Northwest Territories. Among this large group are found the lowest levels of education and of marketable skills, the highest proportions of illiteracy and inability to communicate in English; among the most serious problems of malnutrition and disease, due to substandard housing and diet; and overall, among the highest rates of unemployment and dependency. Here, literally dozens of bands which formerly sustained themselves on a hunting, trapping and fishing economy have rapidly been abandoning their former means of livelihood and becoming dependent mainly on relief. In some cases this has been due to population outrunning the resources available. In other cases it has been due to a combination of circumstances -- insufficient technical knowledge and inefficient methods; inadequate or obsolete equipment; loss of mobility due to educational requirements and to new health and welfare services; or in general, an inability to derive as large a real income from the traditional means of livelihood as can be received from relief and welfare generally.

The longer the present trend continues, the progressively more serious the cost will be in growing demoralization, unemployability, poverty and dependency, for proficiency in such activities as hunting, trapping and fishing is to a large extent a matter of long experience, of detailed knowledge of one's environment, and of familiarity with the habits and behaviour patterns of fish and wildlife. Many Indians are losing or have failed to acquire proficiency in such activities.

These are, of course, broad generalizations, the validity of which vary greatly among different areas and bands across the whole northern belt. Appropriate policies to encourage economic development would vary accordingly.

The most detailed study of a broad northern area, encompassing numerous bands of Indians as well as Metis, was carried out by Buckley, Kew and Hawley during 1961-62, in Northern Saskatchewan. This area has probably a higher proportion of depressed and dependent households in this group than any other of comparable size in the northern belt. In their study, they made a series of some twenty-two detailed recommendations, attacking the whole question of development on a broad front in numerous potential fields of employment opportunity. Some of their findings and recommendations are appropriate primarily to the Northern Saskatchewan area and population, with its own special characteristics and problems but many would be generally applicable throughout the whole northern belt. They are summarized in condensed form, as follows:

The Mining Industry

1. That a program of on-the-job training be instituted immediately.

2. That the present program of prospector assistance be revised and enlarged to provide for;
 - (a) more participation by Indians and Metis;
 - (b) more intensive and advanced training;
 - (c) paid employment for some graduates of prospectors' schools.
3. That mineral exploration be further assisted as a means to create jobs in the short run as well as to increase production in the long run. Specifically, it is suggested that the mapping and survey program of the Department of Mineral Resources be extended, and the road to Reindeer Lake be built immediately.

The Forest Industries

4. That short courses for lumbermen be established in conjunction with credit for the purpose of purchasing power saws and other equipment.
5. That government-sponsored sawmill operations be expanded.
6. That programs of forest management and silviculture be greatly expanded.
7. That a new forest protection service be established, providing permanent employment for at least fifty men.

Mink Ranching

8. That the government institute a developmental program aimed not simply at promoting the growth of the industry, but at establishing Indians and Metis as mink ranchers. A specific target of fifty new ranchers over the next ten years is suggested.
9. That the development program for the mink ranching industry include the following;
 - (a) extension services to new and established ranches;
 - (b) establishment services -- loans and training;
 - (c) research and investigation, to include problems of ranch efficiency and low-cost operation, as well as animal husbandry.

Agriculture

10. That the agricultural potential of the north be given official recognition and a new approach to agricultural development be devised.
11. That an agricultural development program aimed at establishing men as farmers be instituted at Cumberland House and in the Buffalo region.
12. That a northern Saskatchewan development plan provide for a thorough and comprehensive study of all aspects of northern agriculture.
13. That small-scale agricultural activities be fostered in all parts of the northern region.

Government Service

14. That measures be devised to open the door to Indians and Metis for all government jobs in the north.

These would include:

- (1) easing the requirements of the Public Service Commission;
- (2) enlisting the cooperation of all government agencies in the north;
- (3) establishing a training program based on their staff requirements.

Other Industries

15. That an employment and job placement service be established for the northern area.
16. That a school for guides be established at La Ronge, aimed at raising the status of the occupation and the earnings of participants through imposition of professional standards. The organization of a guides' association and restrictions on licenses should follow as quickly as possible.
17. That government encourage and foster business enterprise, whether large or small, by means of preliminary surveys and analysis of prospects; through financial assistance when needed, and by rendering every possible assistance in marketing.
18. That the Community Workshop at La Ronge be granted loan funds and other assistance as required, and that an effort be made to give as large a role as possible to the Indian and Metis workers. Studies should be undertaken to determine additional marketable products.
19. That assistance be given to the Northern Cooperative Handicraft Association in order that it may exploit more effectively a growing market for handicrafts. Specifically, there should be (1) loan of capital, (2) a full-time manager, (3) training of workers, (4) exploration of new lines of production, (5) more assistance in marketing.
20. That the economic potential of the peat moss industry be given official recognition and that government proceed to:
 - (a) determine the feasibility of a crown corporation or a cooperative for the production and marketing of peat moss from the northern region;
 - (b) explore the feasibility of a program which would combine attention to the needs of private operators with measures designed to increase employment of Indians and Metis.

Special Projects

21. That the cooperative housing project designed by the Northern Affairs Branch be given all necessary support and high priority in programming.
22. That the present program of municipal works be extended to cover more villages and a greater number of projects. Continued coordination with the Federal Municipal Winter Works Program is desirable.
23. That measures be devised without delay which can deal with the particularly depressed situation of the people of La Loche.¹

While the present Report would generally endorse the majority of these recommendations as the product of an intensive study of a special area (and designed essentially for provincial government action) for most northern regions, certain types of programs would seem to merit a special emphasis, as follows:

1. In view of this general situation of over-population and rapid growth relative to employment opportunities from locally available resources, it would seem logical to give the highest priority in policy to a concerted program for making possible the training and re-settlement of all Indians in such bands who appear capable of being trained and adjusted to working and living in other, mainly urban, communities. It would be of particular importance to focus on young people in their

¹The Indians and Metis of Northern Saskatchewan, Centre for Community Studies, Saskatchewan, 1963, pp. 57-59.

teens, and young couples in their twenties with children of grade school or pre-school age. Not only are these younger groups likely to be more amenable to education and training at the high school and vocational school levels, but their emigration would also reduce the rate of population increase in their band communities.

As noted elsewhere (and as analysed more fully in a later section of this Report) the Indian Affairs Branch in recent years has been undertaking an ambitious program of providing transportation and living expenses to qualified young Indians from northern communities, to reside in southern cities and towns and take secondary or high school education and post-secondary technical or professional education, as well as upgrading classes to prepare them for apprenticeships or formal vocational training programs in various occupations. Because of serious deficiencies in the educational backgrounds of many or most Indians in northern communities, the number able to participate in such programs appears to fall far short of the rapidly increasing numbers who are reaching working age each year. Presumably, this problem can be solved only over a fairly extended period of years. It will require, presumably, larger expenditures for education at the primary level in the home reserves, together with special educational personnel, special programs, and various special supportive services in homes and communities, to meet such educational deficiencies,

Preparing these younger Indians for working and living in an urban industrial environment, as noted earlier, would require not only academic education or vocational training, but also the services of placement officers for liaison, consultation and follow-up, and for families, the services of home economists and social welfare counsellors, and special financial aid for housing.

2. Among the employable adults above twenty-five to thirty years of age, probably only a minority would be found suitable for resettlement in urban environments, due to the special difficulties that would be encountered in living in an urban environment (though every effort should be made to identify those who would be suitable). For Indians in this category, an intensive program of training and capital assistance would be required to enable them to utilize more efficiently the resources available to them, such as to provide a level of income and standard of living high enough to induce them to work rather than stay on relief. This would require such measures as the following:
 - (a) Training in certain basic skills, essential for making an adequate livelihood in isolated communities (e.g. motor mechanics; carpentry and plumbing and other basic construction jobs; and for women, cooking, nutrition and household maintenance). An adequate training program of this kind would require a corps of vocational training teachers who would travel to various Indian communities to give courses of the requisite length to the residents. Such training programs would, or could, serve several purposes in such communities, such as:
 - (i) Enable Indians to build and maintain better houses for themselves;
 - (ii) Enable Indians to build, repair and maintain buildings required by the Indian Affairs Branch, by storekeepers, and by medical health services, and other government services rather than incurring the added expense of importing highly paid labour from outside; and
 - (iii) Fit more Indians to take advantage of new employment opportunities that may develop within fairly easy access of their band communities. (In recent years, as noted, a number of new industrial or resource development projects have been undertaken in hitherto isolated northern areas in which Indians have been the sole residents (e.g. Peace River power project in British Columbia; Athabaska Oil Sands in Alberta; Inco's Thompson Project in Manitoba; etc.) Such

projects offer opportunities for well-paid and temporary construction jobs in the initial phase, and permanent jobs in the final processing phase, and in the communities that develop around such projects. To date, Indians have been employed to only a very limited degree in such developments.)

- (b) Provision on a liberal loan basis of up-to-date equipment and facilities to increase the productivity of Indians in hunting, fishing, and trapping. There may, indeed, be good grounds for renting equipment or providing it outright in whole or in part, on condition that it is adequately maintained and fully utilized. It is an unwise principle generally to subsidize producers in economic activities that are sub-marginal and low-income. In the case of many Indian families in isolated communities, however, there may be no alternative. Subsidization may be the only means for keeping them active and maintaining morale and avoiding the progressive demoralization that occurs with prolonged idleness and dependency.

One of the main requirements appears to be equipment or facilities that will increase the mobility of Indians engaged in trapping, to enable them to move to more distant under-trapped areas having plentiful supplies of game and fur-bearing animals. Such facilities would include, for instance, snowmobiles and outboard motors for canoes, and, in strategic areas, available to several bands, airplanes; also storage facilities such as walk-in freezers.

Along with such facilities, expert personnel appear to be needed in many communities to train Indians in better methods of processing and care of their produce (such as filleting fish and dressing skins).

- (c) Community development would play a necessary, but subsidiary, role in any such programs. The prior need is economic development, which requires intensive training in various techniques and a sizable investment of capital in each band community. Community development may be viewed primarily as an instrument for imbuing members of each community with the motivation, energy and will to take advantage of such services and facilities for their own betterment. Related to this is the objective of encouraging the community to mobilize the energies and talents of the members to engage in collective projects of the social capital type that will contribute to their economic development and higher real income. As noted before, one is struck in visiting such reserves by the combination of idle people and unused resources, in a situation of poverty. Properly equipped and organized hunting and fishing expeditions, fuel gathering, kitchen gardening and building projects of various kinds, could add greatly to the real income, comfort and welfare of most such Indian communities.
3. The recommendations in 1. and 2. above involve providing basic skills, equipment and facilities to all employable adults residing in Indian communities.

In addition to these, there appears to be considerable scope for developing a variety of specialized skills and services that could provide remunerative full-time employment for numbers of Indians -- as well as training-grounds for larger numbers in the future -- in the larger northern Indian bands.

A widely noted feature of most northern Indian bands is the almost complete absence of specialization and division of labour. Virtually all the population are engaged in hunting, fishing and trapping, or they are on relief. A few rudimentary skills ancillary to these are used by each household for itself, and for anything beyond this, the household and the community depend on goods or services imported from the outside, at an exorbitant cost because of time and distance. This whole system becomes more economically inefficient and costly as Indians become more

and more dependent upon power-driven equipment for various purposes: power saws, and outboard motors, snowmobiles, bombardiers, automatic pumps, steam boilers and diesel motors, down to household appliances such as washing machines, and personal items such as transistor radios. When the machine fails to work, the individual owner attempts to repair it himself, ordering the parts from outside individually, at high cost. If he is unable to fix it, the machine may be abandoned prematurely or be sent outside to be repaired at high cost (except at odd times when an outside expert repairman happens to be in the community).

In large bands such as Norway House or Island Lake, having populations of 2500-3000 depending heavily on water transportation, it is estimated that each could fully employ a half dozen or so mechanics on outboard motors alone. When all the other types of machinery and equipment are considered, probably double this number could be employed in each such community. There are probably potential markets for a number of other types of specialized retail or service outlets in numerous larger, more isolated Indian communities; e.g. recreational. outlets, such as pool halls and beer parlours (where local regulations permit); coffee shops; confectioneries; gas stations; and the like. Some of these should, perhaps, be encouraged to develop in a cooperative form, primarily for their educational value. Considering the special difficulties Indians face in developing and running cooperatives efficiently, however, special encouragement and aid to privately-owned and operated Indian enterprises would probably be more productive in the short run.

4. Qualifications - Any primarily economic analysis of, and recommendations for policy regarding Indians in Canada, is almost bound to be unsatisfactory and frustrating. Economists tend to be overly bound by certain precepts, some of which are moral, and some of which are basic assumptions of their discipline. Two major precepts in particular tend to create frequent and sharp conflicts when it comes to policy. These are:
- (i) Unemployment or idleness is deplorable -- particularly if it coexists with unused resources. It is assumed that society, as well as the individual, benefits if people are kept active during most of their waking hours producing things that are useful.
 - (ii) The central criterion of economic efficiency is maximum output in relation to input of labour and capital (or minimum input per unit of output). Any activity that requires subsidizing is, by definition, economically inefficient.

Either precept if carried to its logical conclusion, of course, becomes ridiculous, as measured in terms of the other. The principle of keeping people fully and productively employed has led at the one extreme to subsidizing farmers and other producers to engage in long hours of hard work and drudgery for inadequate returns and to produce outputs that have had to be destroyed, given away, or otherwise disposed of because they could not be sold in the market at prices sufficient to cover their costs of production. In terms of normal criteria of efficiency, it has been demonstrated that society would gain in net income if large numbers of small submarginal farmers were paid the market value for their land and pensioned off for life, at rates equal to their net earnings from farming.

Similarly with economic efficiency. Hunting and fishing as generally practised on this continent are obviously inefficient in terms of conventional economic criteria. In fishing, if the central objective were to maximize the total catch in relation to expenditures of labour and capital, the most efficient method would be simply to set fish traps in all lakes, streams, and river mouths.

Obviously the efficiency of hunting and fishing activities has to be measured by other criteria than these. To an increasing extent, they are carried on as leisure-time activities, the value of which is to be measured by the enjoyment they generate among the participants, and the revenue and employment the latter create in paying for the privilege of participating.

Hence the elaborate restrictions on equipment, techniques, licences and seasons to assure that hunting and fishing will be carried on by technically or economically inefficient methods, as leisure time or play (as distinct from productive or work), activities. The distinctions become blurred, however, where guides, conventionally defined as productive workers, are employed to assist people to conduct their inefficient and unproductive leisure-time activities.

Thus leisure-time activities which, by conventional economic standards are inefficient and unproductive in terms of producing an output that others find useful, generate employment and income for others. A rapidly increasing proportion of the national income is spent on, and a correspondingly rapidly increasing proportion of the nations' labour force is engaged in, producing goods and services for such subsidized leisure-time activities.

The discussion leads to a basic question of principle. The present system of taxation and income distribution enables some higher-income groups to subsidize themselves in inefficient hunting and fishing activities. On what grounds, moral, ethical or economic, can it be argued that Indians are not also entitled to such subsidization? Men of high income pay as much as \$500 to \$1,000 a week for sport hunting and fishing, with the assistance of White or Indian guides. Is it more economical or beneficial to society to enable well-to-do tourists to subsidize Indians in employing them as guides, than for the government to subsidize Indians directly to engage in hunting and fishing (and perhaps trapping) to produce food and materials for handicrafts, for themselves as well as for the market?

The proper criteria of economic policy for large numbers of underemployed and dependent Indians in the northern belt should be formulated in terms of contributing to an active and meaningful life for them. Complete, or nearly complete, idleness and dependency on relief is obviously unsatisfactory as it leads to frustration, demoralization and, in general, unhappiness. Reorganizing the whole structure and operations of the trapping and fishing industries in terms purely of maximum economic efficiency in terms of the industries, as such, will not meet this problem. It would enable a minority of the more efficient workers in each band to earn far larger incomes from trapping and fishing than before, but many would be entirely displaced from these industries. The displaced, in turn, would have to be either:

- (a) maintained on relief, or
- (b) given special training and assistance to move into new employment in urban industrial centres.

This is the easy answer in terms of conventional criteria of economic efficiency, but it raises further questions.

The costs of special training and the various types of assistance that would be required to move Indian families into urban industrial centres, and enable them to adjust to the urban way of life, are likely to be high. Even with the greatest pressure and inducement, the numbers that can be induced and enabled to move and make the necessary adjustments may not be enough for several years to meet the needs of an expanding population. If, then, sizable numbers have to be maintained on relief, the question is: where?

On the face of it, it seems uneconomical and inefficient to maintain northern Indian families on relief in their present locations in isolated communities in which the costs of imported goods and services are inordinately high, and in which many types of facilities and services are lacking. It would seem more economical and efficient to move them to urban centres where such goods, facilities and services are both cheaper and more plentiful.

On the other hand, it is questionable whether this would be the most satisfactory and efficient alternative. It would be difficult, at best, to induce any large number of northern Indians to relocate in urban centres, particularly if they are merely to be maintained on relief. Dissatisfaction and demoralization would probably be more widespread and intense than if they were maintained on their home reserves. And, if they are not to become a

depressed, demoralized slum group in urban centres, the Indian Affairs Branch and other government agencies would have to provide special facilities, personnel and services equal, or more than equal, in amount and cost per household, to those recommended for the more promising Indians as part of any large-scale program for training, relocation and new employment in such urban centres.

The only feasible policy, therefore, appears to involve both of the following:

- (a) Assisting, along the lines outlined earlier, the movement and relocation of as many Indian households as wish to move into urban or industrial centres of employment; and
- (b) For those who do not wish to, or cannot, relocate, subsidizing them – by new equipment, techniques and other facilities and services -- so that they can earn more from hunting, fishing, trapping, handicrafts and related activities, than from relief; or, to put it another way, to earn enough from these activities to keep them participating.

Considering the relatively small numbers of Indians in the northern area in relation to the total Canadian population, the total volume of expenditures or subsidies that would be required to enable them to live a meaningful and active life would be a very small fraction of the gross national product (or of the total Federal and provincial budgets).

Bands Located in Farming Areas

Among the more depressed and under-employed bands in virtually every province, are a number located in farming areas having sizable tracts of land in their reserves suitable for agriculture.

- (a) In some cases the under-employment is due to rapid population growth, in which the acreage per capita has declined to the point that the land, even if fully and efficiently utilized, could not support the present population adequately, let alone further population increases in the future.

In the broad sense, the problems facing such bands, and the types of programs that would best promote their economic development, appear to be broadly similar to those of the bush bands discussed above. They are not, of course, geographically isolated in the same sense. Most of them have roads or highways running nearby or through their reserves and are within a few hours travelling distance, at most, from small or medium-sized urban centres. But their employment opportunities outside of the reserve in many cases are about as limited, for in predominantly farming areas there tends to be surplus White farm populations as well, particularly with the trend toward larger-scale operations and the displacement of small operators. This generally creates intense competition for jobs and limited job opportunities in the towns. Such is the situation in large areas in all three Prairie provinces and the Maritimes, as well as parts of Ontario, Quebec and British Columbia.

The first priority in this situation, therefore, would also appear to be that of training and preparing the younger people in the community for permanent employment and residence in urban centres that have sufficient job opportunities in areas too far from the reserves to allow for regular daily or weekly commuting.

- (b) In the majority of cases, bands that have sizable tracts of farmland in their reserves fail to make full use of it. The land, that is to say, could potentially employ more adults and support more families than it now does. This state of affairs has led the Indian Affairs Branch to pour capital, in loans and grants, into such communities in order to encourage Indians to farm. The results have not been very successful in most cases.

It might be argued that Indians in such communities should be encouraged and subsidized because, as in many isolated northern bands, there are unused resources and idle men, and subsidizing their farming activities may seem the

only way to prevent progressively greater idleness, dependency and demoralization.

The two situations are not entirely analagous, however, for several reasons.

1. There may be a sound argument for subsidizing the older members in isolated bands in hunting, trapping and fishing, because most of them have a considerable experience, aptitude and preference for such activities, where the financial rewards are adequate (or, at least, above the levels of relief). Few Indians, by contrast, have such preferences and capacities when it comes to farming. It would require much more intensive training and expensive capital investments to equip them for farming, on a basis of efficiency comparable to most White farmers.
2. As stressed earlier, rapid increases in productivity, the increasing size and scale of operations required to achieve optimum efficiency, and the continuance in operation of many subsidized farmers, all serve to render commercial agriculture a poor prospect for new entrants, particularly where a large investment is required to set up each new operation. To subsidize any large number of Indians in such endeavours would tend to perpetuate and contribute further to the problem of excessive numbers of sub-marginal farmers, to reduce their mobility, and reduce their opportunities for engaging in other more remunerative employment opportunities. In general, it would tend to perpetuate the problem of rural slums.¹
 - a- In some cases where circumstances allow, where land titles are in suitable form, it might be a better course of action to encourage consolidation of farms in Indian communities into larger-scale, more efficient units. Where individual Indians have the requisite desire and aptitude, presumably they should be encouraged to undertake such efforts with the aid and counsel of properly qualified agricultural experts and with liberal credit extended by the Indian Affairs Branch (or its future counterpart under provincial administration).

¹Despite the hundreds of thousands of farm workers and operators that have abandoned farming for other pursuits since the war, agriculture remains relatively the most overcrowded and under-paid sector of the Canadian economy. As the table below brings out (from the Economic Council of Canada's Second Annual Review, Ottawa, December 1965), labour income per person employed in agriculture is less than one-half the average for all other industries in the country.

INDEX OF LABOUR INCOME PER PERSON EMPLOYED,
BY MAJOR INDUSTRY, 1956*

<u>Sector or Industry</u>	<u>Index</u>	<u>Sector or Industry</u>	<u>Index</u>
Agriculture	45.0	Forestry	113.2
Fishing and Trapping	78.0	Manufacturing	115.4
Trade	92.7	Finance, Insurance, Real Estate	122.3
Construction	105.3	Electric Power, Gas	138.1
Public Administration, Defence and Service	106.4	Mining	144.8
Transportation, Storage, Communications	111.4	All Industries	100.0

* These estimates include an allowance for the income of unincorporated business and net farm income attributable to the labour of the owner. Economic Council of Canada, Second Annual Review, Ottawa, December, 1965, p. 65.

- b- In bands in which such skills, aptitudes and preferences are lacking, it would be more economical to all concerned to lease the land to outside operators, and use the revenues for purposes that the band agrees to (as is now done in many cases).
- c- In still other cases where bands are resistant to consolidation of holdings into larger units and to leasing to outsiders, it may be more economical to leave it idle and unused rather than to subsidize the owners to encourage them to farm it.

Large numbers of Whites owning tracts of farmland leave it unused, for speculation or as a form of insurance in case of need, so there should be no special opprobrium attached to Indians for doing the same thing.

In general, it would appear that in most cases the same amount of investment and expenditure in money, time and effort for special training by expert personnel, could better be used for equipping Indians to engage in urban-industrial types of employment rather than in farming.

In any case, the most effective use of Indian-owned farmland is a question that would require the expert advice of agricultural economists.

3. The analysis so far has been concerned mainly with the prospects of Indians in commercial farming. This does not rule out subsistence farming among Indians who own or control farmlands and who, for one reason or another, are unable to migrate and sustain themselves by employment outside the reserve. Where idleness and dependency are the only alternatives, it would seem logical to provide every reasonable encouragement or pressure to engage in subsistence farming and other community projects that would contribute to the real income of the band members. This, presumably, would be among the most useful type of project for a community development program to undertake.

To a certain extent it might prove economical also to encourage greater specialization and division of labour within bands located in agricultural areas. It would be far less so than in the more isolated northern bands, however, for in most farming areas, specialized repair and other retail services are available in cities and towns for the surrounding farm populations.

It could be argued, of course, that bands could get a larger employment multiplier effect out of their limited incomes if households spent more of their incomes within the community, on services provided by trained and skilled band members, rather than spending them in nearby White towns, thus providing income and employment to Whites rather than Indians. Notable examples of such facilities or services that create a large outflow of Indian income, are taxis, pool halls and beer parlours.

There are serious limits to the degree that this principle could be applied, however, apart from such matters as skill and experience:

- a- In many types of retailing (especially supermarkets), economics of scale in serving a large population over a wide area more than compensate for higher transportation costs; and
- b- It is not certain, by any means, that Indians would patronize local services provided by fellow band members in preference to those in a town several miles away, even if they were available at comparable prices. There is an element of psychic income involved in Indians' shopping habits. A large part of the incentive for shopping in town, as in any farming area, is the change and novelty of getting away from the confines of the home community. Another is the symbolic value of having White service workers wait on them -- in reverse to most White-Indian relationships. This is a partial explanation of the tendency among Indians to spend a disproportionately large part of their limited incomes on taxis.

Casual Farm Labour

A special question of policy concerns the employment of Indians for casual farm labour in certain specialized crops. In Southern Alberta and Saskatchewan hundreds of Indians recruited from numerous bands over a wide area are employed for a few months each year in thinning and harvesting of sugar beets. Rates of pay are far below standards applying in other industries. Agriculture is exempt from provincial labour legislation, including minimum wage laws; housing and other facilities are seriously substandard; and living conditions are generally deplorable. The Indians earn barely enough to live on while working, and generally end the season as destitute as they began and have to go back on relief.

This is a situation that the Indian Affairs Branch should end as soon as possible; for the Branch to cooperate in recruiting and supplying Indian workers to farm employers paying substandard wages and substandard housing and other facilities is undesirable. The Branch cannot, of course, prohibit individual Indians or households from voluntarily seeking and getting such work, but it should use every means possible -- including periodic inspection by placement officers and other personnel, and pressure on provincial and local authorities -- to assure that adequate rates of pay and facilities are provided.

The current situation is open to criticism on several counts:

1. On economic grounds alone, the general principle should apply that any firm or industry that is so inefficient that it cannot meet going or market standards of wage rates and working or living conditions should not continue in operation. If, for reason of public policy, it is essential that the sugar beet industry continue to operate, and if it is so inefficient that it cannot operate without being subsidized, then subsidies should be provided directly by the federal and provincial governments, at levels that will enable the employers to pay adequate wages and provide decent living facilities. As the situation stands now, the industry is being subsidized by the Indian Affairs Branch (which has to maintain sugar beet workers and their families on relief most of the year) and by the Indians themselves, through their under-paid labour.
2. The familiar argument that it is better to have people working -- even if at substandard wages and working conditions -- rather than have them continually maintained in idleness on relief is invalid, partly for the reason pointed out above, and also because it goes directly counter to accepted government policy for labour generally, outside of agriculture. Workers entitled to Unemployment Insurance can remain unemployed and continue to receive unemployment benefits as long as work is not available to them of a type and at rates of pay in line with their previous job experience. When their unemployment insurance benefits are exhausted, they are entitled to unemployment assistance, and ultimately social welfare or relief. The accepted policy, in brief, is that unemployed or destitute people cannot be denied unemployment benefits or relief in order to force them to work at substandard rates of pay or working conditions. To do otherwise would open the way to widespread exploitation and economic inefficiency. To follow any different policy with regard to Indians employed in casual farm labour would be to single them out for discriminatory treatment as second-class citizens.
3. Finally, as numerous studies of casual and migrant farm labour in the United States have brought out, the substandard rates of pay and living conditions, the specially low status, and the disorganized social and family life accompanying such work, altogether have the effect of isolating the group as a lower caste. People become trapped in this way of life, and are unable to adjust to or become accepted in other types of employment. This has happened to large numbers of Whites but for a distinct ethnic group such as Indians the effects are doubly damaging in terms of any long-range objectives toward economic growth and integration.

There is perhaps one important qualification to the above, by way of a possible exception. It has been the experience of placement officers in some parts of the country that seasonal farm labour can be a useful means of introducing Indians from more isolated bands who lack other opportunities for employment, into outside wage work and encouraging confidence to move from the reserves to seek other work. This should be viewed, however, as a purely temporary measure, primarily for educational purposes, in the broad sense. Care should be taken to assure that Indians do not become trapped in low-paid seasonal farm labour as a permanent way of life.

(c) Disorganized Bands Near Expanding Urban Centres or New Industrial Development Projects

Among the more economically depressed and dependent bands) as noted earlier, are some located close to expanding urban centres or new industrial development projects. In some cases the urban expansion occurs because of new transportation facilities which transform White as well, as Indian communities. In others a major new development brings a large influx of newcomers to a relatively small, isolated community, with drastic effects on local Whites and Indians alike. In still another pattern, Indians from various bands are attracted by economic expansion, leave their reserves and become a low-income slum group in urban communities in which they play, at most, a submarginal role in the economy.

Here the main barriers to economic development are not objective economic factors such as shortages of available resources or job opportunities. Rather, as pointed out before, the main factors are socio-psychological including social and personal disorganization among Indians; apathy and lack of motivation; drunkenness; absenteeism and carelessness on the job; and hostility from and discrimination by Whites. It would have to be accompanied by an intensive program of training, social conditioning and placement similar to that recommended for urban migrants from northern Indian communities, as outlined in Section B below.

There are no easy solutions to the type of social problems that such communities present, and no program that can be devised is likely to yield spectacular results. In the midst of unprecedented prosperity, society is still faced with the problem of poverty, particularly among the permanent welfare cases in major metropolitan areas. And applied social science as practised by social workers has yet to discover a means for motivating the more apathetic cases.

The more depressed Indian communities represent a large and important variant of the welfare hard core. They may, however, have one asset that the other more heterogeneous groups lack, a sense of separate identity which represents a latent pride that might be drawn upon to provide some motivation for improvement. This is an asset which a community development program could be designed to tap.

Education and Economic Development

The subject of education takes up a large section by itself later on in this Report, and provides a complex field of research on its own. Considering the crucial role that it plays in economic development and is likely to play far more in the future for Indians in Canada, a few general observations about the subject would seem in order at this point.

Intensive studies by various United Nations' agencies, as well as numerous individual scholars have found that there is a higher correlation of economic development with education than with any other single variable. The Economic Council of Canada gives the highest priority to education along with a larger, more comprehensive and coordinated manpower program. for achieving maximum economic growth in this country. Among Indian bands, as noted earlier, the correlation does not appear to be very high, though it may well turn out to be so during the next five to ten years as the new educational policies of the Branch begin to bear fruit.

Education, as pointed out before, helps the individual economically not only through providing the essential technique and know-how required for most jobs in the modern economy, but also by instilling some of the discipline and work habits that modern business, industry and other institutions require.

All three types of economically under-developed or depressed Indian communities discussed above have one feature in common -- that the educational levels of their members are generally low.

A criticism that is sometimes levelled at the educational program now being carried out for Indians, is that it drains communities of their most intelligent, educated and enterprising members. A high proportion of Indian students who complete their high school education and take special vocational, technical or professional training, leave their home reserve permanently.

The data compiled to date about the sample bands and others, do not entirely bear out this criticism. As the sample brought out, there is a high correlation between economic development and the proportion of band members residing outside of the reserve, which suggests that the migration does not contribute to deterioration of the band. True enough, the non-residents generally earn a higher average per capita income than the residents, which suggests that they are concentrated among the more skilled and enterprising, but, at the same time, the residents of such bands also earn, on the average, a higher average per capita income than those of bands with a small proportion of non-residents.

On the other hand, it appears that among the more developed bands are those in which a high proportion of the specially trained professional or semiprofessional members return to the same community to practise their trade as teachers, nurses, administrators and the like. This seems to be the case particularly with the Six Nations Band. Unfortunately, the questionnaire circulated by the Indian Affairs Branch, which included a question listing the occupations of band members, does not ask whether the professional or semi-professional members are residents or non-residents.

B. Summary and Recommendations on Economic Development

I. General - Cross Country

- (1) "Economic development", as the term is used in this Report in discussing Indian communities in Canada, is defined, analysed and measured in terms of per capita real income derived from gainful employment.
- (2) Economic development for Indians in Canada has an unique connotation, and will require different types of programs -- or programs with a different emphasis -- from those discussed or recommended in the vast body of literature dealing with the economic development of under-developed or developing regions or nations. In the latter, the main problems are those concerning the acquisition or accumulation of capital and new or improved techniques, to develop available resources more fully, create new industries, and produce larger outputs that will sustain the resident population at higher real income levels. By contrast, for the Indians in Canada, as a small minority of the total population, and residing in hundreds of small, scattered communities within a complex, industrially developed and generally high income economy, the main problems of economic development are largely inseparable from those concerning the broad objective of integration into Canadian society as a whole. Their income and employment prospects in the traditional resource-based industries of trapping, fishing, farming and food gathering are generally static or declining. The main avenue for economic advancement of most Indians in Canada lies in facilitating travel or migration away from their reserves, to take wage or salaried jobs in non-Indian communities and enterprises beyond reserve boundaries. Exploitation and development of resources within or close to their reserve communities would or should play a distinctly secondary role in any comprehensive economic development program on their behalf.
- (3) In so far as their economic development is inseparable from their participation in Canadian life in the broad sense, any program on their behalf, to achieve substantial results, will have to be integrated and comprehensive in scope and conception. The most feasible and effective goal or strategy should be, ideally, that of balanced social and economic development. Economic development, that is to say, cannot be realistically viewed or effectively carried out as something done for its own sake, or by peculiarly economic devices, distinct and separate from educational, social, cultural or political considerations. Developments along all these lines must be carried out more or less conjointly, so that they can be mutually reinforcing rather than mutually defeating.
- (4) Economic development for Indians will also require greater integration than has been achieved hitherto, in government policy at all levels, federal, provincial and municipal. The federal government in recent years have passed a number of items of legislation designed to deal with various aspects of poverty. These include, for instance, training and retraining programs. loans to unemployed workers to finance their movement to new centres of employment, and financial grants to encourage the rehabilitation and development of depressed rural areas. Some of these measures are, or will be, financed entirely by the federal government, and some by cost-sharing arrangements with provinces and municipalities. These, and other special measures still to be enacted, are, presumably, to be coordinated in the war on poverty announced last year.

The Indians, a majority of whom would be classed among the poor and under-employed, will presumably benefit from various measures undertaken as part of the larger program. As a special problem group within the broad area of poverty, unemployment and under-development, however, they will still require special coordinated programs of their own, with special services and facilities over and above those designed for broad groups of the population.

- (5) Hitherto, government policy with regard to Indians has been largely that of protection, maintenance and caretaking, rather than development. To enable Indians to rise to an economic status approaching that of equality with Whites will require, as pointed out, a comparatively massive,

coordinated developmental program on many fronts. This, in turn, will require a much larger level of expenditures than the budget of the Indian Affairs Branch has provided for hitherto -- probably two or three times as large as that for 1964, for instance. (As one rough measure, by way of comparison: total government expenditures for all types of publicly provided facilities and services at all levels -- federal, provincial and municipal, on behalf of the Canadian population as a whole during 1964 were, on a per capita basis, about two and a half times the total expenditures of the Indian Affairs Branch on behalf of Indians. There is probably a much wider discrepancy in the private sector generally.) The Indian Affairs Branch's appropriation, of course, would not necessarily have to be increased by such proportions as these, in so far as various measures undertaken as part of the war on poverty, and financed out of general revenues, may benefit Indians equally with Whites, and provide some of the facilities and services recommended below for the economic development of Indians.

- (6) The Indian Affairs Branch's budget will need a major shift in emphasis or priorities, as well as a large increase in amount. During 1964, for instance, out of a total budget of about \$60 million, education accounted for about \$30 million and welfare about \$20 million, while economic development specifically had about \$1-1/2 million (though, as stressed earlier, various expenditures in other areas, particularly education, would be deemed appropriate or necessary for any comprehensive program for economic development). An adequate program for the future is likely to mean that, for several years at least, economic development will account for the largest single item in a greatly enlarged budget.
- (7) Some major changes in organization, personnel and policy will be required within the economic development division, together with a larger budget. (Note: A number of suggestions outlined below, and some others, were already being undertaken while this Report was being prepared);
 - (a) Economic development policies of the Indian Affairs Branch hitherto have placed major emphasis on local resource development for Indian communities. The evidence now available indicates that the major emphasis should shift to that of encouraging the migration and placement of Indians in wage and salaried jobs, with local resource development playing a secondary but supporting role, if an adequate rate of growth in real income is to be achieved. One implication of this will be that a much larger and increasing share of the Indian Affairs Branch's expenditures than hitherto will have to be allocated to the provision of facilities and services for Indians who have left their reserves, as compared to those who remain on them.
 - (b) A staff properly qualified in economics and allied disciplines will be required to gather, collate and analyse pertinent data and prepare integrated, comprehensive reports of the type appropriate for undertaking coordinated economic development programs on behalf of Indians in different regions, as well as to relate the Indian Affairs Branch's role to that of other government agencies at all levels in carrying out such programs.
 - (c) Properly qualified specialists should also be in charge of various main subdivisions within the Economic Development Division, to be able to deal adequately with various technical questions and types of data that will be encountered. (The main industrial subdivisions now include: Agriculture, Forestry, Fish and Game, Mining and Minerals, and Engineering. At the time of writing, only the latter two were headed by professionally trained persons. A subdivision for Business and Industry also should be added, with specialists and personnel trained in such fields as business management and marketing.)
 - (d) The function of job placement should have a special role and status in economic development. It should have a larger staff of qualified people, especially at the regional or provincial level (though substantial improvements have been made along these lines over the past two years).

- (e) Large numbers of additional personnel having various kinds of special training and experience will be needed, particularly, again, at the regional or provincial level, to provide various kinds of supporting facilities and services for some of the more complex and difficult types of job placement programs.
- (8) Economic development for the Indian population as a whole in Canada may be viewed as a process of facilitating the movement of relatively large and increasing numbers, as rapidly as possible, through a series of industries and occupations having widely different job characteristics and requirements with regard to such matters as skill, seasonality, punctuality, degree of mechanization, authority and supervision. These present a rough order of progression from the overcrowded local resource-based fields in relatively isolated areas, to the complex and highly-paid employments characteristic of major urban centres. This order was set out in an earlier chapter.
- (9) Job placement, as stressed, must play a central role in any comprehensive program for the economic development of Canada's Indian population. Placement is a complex process that requires specially skilled and qualified personnel to perform or supervise such functions as: liaison with employers, employment service centres, trade unions and other agents or agencies controlling access to jobs in various fields; selection of job applicants; provision of travel grants and other costs of moving; financial aid for housing and resettlement; counselling; mediating between workers and employers; and so on.
- (a) Hitherto, the Indian Affairs Branch has limited itself to two main categories of placement, and the personnel have performed the above functions to a varying degree. These are:
- (i) Placement of Indians who have received special education or training that qualifies them for certain types of skilled, technical, clerical, office or service jobs. This is the responsibility of special personnel within the Education Division of the Indian Affairs Branch, and
 - (ii) Placement of unskilled or semi-skilled Indians in casual or seasonal jobs, mainly in such fields as farming, logging or pole-cutting, and rough construction work. This is the responsibility of the Placement Division.
- (b) A crucially important area of placement between the above two, as viewed in the broad perspective outlined in (8) above, presents more difficult problems. That is, the placement of larger numbers of Indians in semi-skilled jobs in industrial and business establishments in numerous small or medium-sized towns that have developed in areas having large numbers of unemployed or under-employed Indians. This is particularly characteristic of numerous towns in the northern sections of virtually every province that have developed around the sawmilling, pulp and paper, and mining and smelting industries. It is also characteristic of urban transportation, business and commercial centres in numerous agricultural areas in which numbers of economically depressed and under-employed Indian bands are located. Indians have largely been frozen out of employment in such centres, due to lack of appropriate skills, work habits, or ability to adjust successfully to urban life, on their part, and hostility of White employers and urban residents on the other.

Getting Indians successfully placed in employment and established in such centres would require teams of specialists, and special facilities and services in each region, to perform such functions as the following:

- (i) Careful selection and recruitment of Indians from different bands who show promise, in terms of stability of character and work habits, intelligence and adaptability;

- (ii) A high-pressure campaign among local employers and businessmen to accept Indians for employment on a subsidized on-the-job training basis;
 - (iii) Provision of transportation expenses, training grants, and housing loans or subsidies, to enable Indians who qualify for permanent employment to acquire housing and furnishings of a standard comparable to White workers in their job status;
 - (iv) Counselling by home economists in such matters as household management, clothing, food and sanitation to enable Indians from the more depressed reserves to live a style of life acceptable to their White neighbours in town;
 - (v) Special educational personnel , courses, and facilities for Indian children, who face special handicaps in attending integrated schools in such communities;
 - (vi) Counselling by psychiatric social workers to acquaint Indians -- particularly Indian wives and mothers -- with the legal, social and medical services available to them, and to enable them generally to adjust to the difficulties of urban living; and finally
 - (vii) Special liaison with influential groups or organizations in the town -- businessmen, unions, religious, political, fraternal and others -- to allay criticism or attack, and enlist the utmost public support for the employment and acceptance of Indian families in the community.
- (10) The broadly phrased recommendations outlined above, and the more specific ones listed below, arise out of the findings of this Report. These findings have been derived largely from a representative sample of completed Resource Questionnaires circulated by the Indian Affairs Branch to its agency superintendents, supplemented by the findings of numerous special surveys and research monographs. The findings are, admittedly, somewhat fragmentary and of limited accuracy in dealing with some important types of data. This Report, therefore, can properly make only very broad types of suggestions by way of recommendations concerning Indian Affairs Branch policy.

A more detailed type of cross-country research survey will be required to provide a really workable blueprint and give realistic estimates regarding the various types of policies suggested here, involving such questions as: numbers of Indians to be involved in various types of programs; size of capital investments and operating budgets required; numbers and types of staff needed for different operations at the national and regional level; and so on.

- (a) A cross-country research survey of this kind would require the following:
 - (i) An adequate survey of the Indians themselves to provide a workable picture of their present capabilities in the aggregate. Such a survey would involve fairly detailed individual studies by way of physical and aptitude tests, educational attainments, work skills and experience. This could provide an inventory, showing the number of actually or potentially employable people in each community and their potentialities for different kinds of work, as compared to the number that are, or likely will be, permanent dependents. Only when this is done can there be a reasonably accurate estimate of what would be required in terms of money, numbers and types of personnel required for education and training, rehabilitation, relief and welfare, capital loans or grants in each community, each province, and over the nation as a whole.

- (ii) A similar detailed, comprehensive survey is required of resources controlled by or accessible to each band community that is resource-based, to any important degree, in its economy. This would require surveys by more expertly qualified personnel, and provide more accurate and reliable estimates than were presented in the Resources Questionnaire circulated by the Indian Affairs Branch in 1964-5. Presumably it would require the use of hired consultants. Such a survey, combined with the manpower survey outlined above, would provide workable guidelines or estimates of the number of Indians in each community who could earn their livelihoods locally, at real incomes above a minimum poverty level of \$2,500 to \$3,000 per household, if trained and equipped to use efficient and up-to-date techniques in trapping, fishing, farming, logging and sawmilling, food gathering, guiding, and handicrafts.
 - (iii) And finally, a thorough survey to estimate the numbers and kinds of job opportunities potentially available to Indians within commuting distance of their reserve communities. (This would be of particular importance for bands deficient in locally-owned or available resources, and located near small or medium-sized towns and industrial projects. It would not be so necessary for bands located near large cities or metropolitan centres, for, in this case, job opportunities for Indians could be considered virtually unlimited if they could be trained and inculcated with the requisite skills, incentives, motivation and know-how.)
 - (iv) On the basis of data from these surveys, a reasonable estimate could be made of the numbers of Indians, along with their aptitudes and qualifications, who may be considered as actually or potentially redundant and unemployed or underemployed in relation to local economic development and job opportunities. Only then can reasonably accurate estimates be made of the magnitude of migration that must be supported for Indians who wish to seek jobs out of their home reserves, the numbers that will have to be relocated and re-established in other communities, the special types of training and conditioning that will be needed, the amounts of loans or investments required for housing them adequately, and the like.
- (b) A research survey of this magnitude and detail would, of course, require a far larger professionally or technically trained staff than the Indian Affairs Branch has or would need permanently. It would necessitate, therefore, hiring large numbers of outside consultants and research personnel on a temporary basis. A cross-country survey of this kind would seem more appropriate for the new Department of Manpower to carry out. For, as the Economic Council of Canada's latest report stresses, one of the first requirements of an effective manpower policy is adequate labour market information, particularly as regards job opportunities and job applicants. And, it stresses, such information should be continuously kept up to date. A special survey of Indians, as outlined above, would seem called for, as part of a larger manpower survey. The Department of Manpower, in carrying it out, would presumably have to secure personnel from various federal and provincial departments dealing with industry and resources, as well as from the Indian Affairs Branch. It would be expensive, of course, but in all likelihood economical in the long run, to the extent that it could provide sound guidelines for expenditures in the hundreds of millions of dollars.

II. Specific Sectors

This research survey indicates, and a more comprehensive and detailed survey of the kind recommended above could bring out more fully and accurately, the different types of economic problems faced by Indian communities in various

regions and localities, and the types of economic development programs that would be most appropriate in each case. Among the major groups appear to be the following:

(1) Northern Wooded Belt

One of the most difficult problems of economic development concerns the hundreds of Indian bands scattered across the northern wooded belt of the country. For various reasons, Indians in this vast belt have been forsaking their mobile hunting, trapping and fishing economies and coming to depend increasingly on relief.

For many or most such communities across this broad region, the most appropriate type of program would appear to be three-fold in character:

- (a) Through improvements in primary and pre-school education, and various supporting services, increasing to the maximum possible, the number of Indian students receiving secondary and vocational education or training in centres having the required personnel and facilities;
- (b) To support the entry of as many Indians as possible into industrial wage employment away from their reserves (as outlined in I. (8) and (9) above). (Particular emphasis should be placed on younger workers in their late teens or twenties, for two main reasons: (1) their greater adaptability to urban employment and living conditions; and (2) the deterrent effects which their leaving would have on birth rates and natural increase among the reserve population); and
- (c) To devise local resource and community development projects for the resident reserve populations, to raise their per capita or household real incomes above the poverty level; or, more specifically, to increase the real incomes to be derived from gainful employment sufficiently above those received from relief, to induce able-bodied Indians to become active workers rather than idle dependents.

These objectives, but particularly the latter, would require such services and facilities as the following:

1. Specialized training, by teams of qualified instructors travelling to each community, along several lines, and for several purposes, as follows:
 - (a) Generalized training for all adults in certain basic skills essential for making adequate livelihoods in relatively isolated northern communities (e.g. for men: motor mechanics and repair, carpentry and plumbing, and other basic types of construction jobs; for women: cooking, nutrition, child care and household maintenance).

Such training could potentially serve several purposes, such as:

 - enable Indians to build and maintain better homes and other facilities for themselves;
 - enable the Indian Affairs Branch and other resident institutions to hire resident Indians for various types of building and maintenance work;
 - fit more Indians to take advantage of new employment opportunities that might at any time develop within fairly easy access of their band communities.
 - (b) Special training in improved techniques in methods of catching, and in care and preparation, processing and shipping, of produce derived from local resource industries (e.g. trapping -- preparation of skins; fishing -- filleting and processing; logging and sawmilling, etc.).

- (c) Special courses in bookkeeping and accounting, for self-employed trappers, fishermen and other producers who have to deal with outside buyers, suppliers and creditors.
- (d) More specialized, and lengthier, training for a minority of more qualified candidates in larger northern Indian communities that could support some local residents employed in full-time specialized services rather than importing such services from outside at high cost. This would apply particularly to repair services for outboard motors, snowmobiles, power saws and other types of automatic power-driven machines that are coming into increasing use.
- (e) Other specialized training for limited numbers of individual Indians in communities where available resources or markets offer reasonable prospects for remunerative employment in certain lines (e.g. as suggested in Buckley, Kew and Hawley's study of Northern Saskatchewan for instance).

2. Provision of efficient, up-to-date equipment on a liberal rental or credit and purchase basis. Subsidization of Indian trappers and fishermen in the northern region as regards provision of equipment would be justified if it served to give them a special inducement to work rather than remain idle and dependent on relief with the proviso that the beneficiary would sacrifice his equity or right to rent such equipment if he failed to maintain it adequately, or put it to optimum use.

One of the main requirements, for many Indians dependent on hunting, trapping and fishing, appears to be equipment and facilities that will increase their geographic mobility, to enable them to move to more distant, under-utilized areas having plentiful supplies of fish, game and fur-bearing animals. Such equipment would include, for instance, snowmobiles or bombardiers, outboard motors for boats or canoes, and, in strategic areas accessible to several bands, airplanes and storage facilities.

3. Organization and establishment of more efficient and economical storage, processing, transport and marketing of local produce, in particular fish and furs, in northern communities.

Some intensive studies point to various inefficiencies or diseconomies in the operations of the fishing, trapping and logging and sawmilling industries in the northern region, as evidenced by inordinately large mark-ups and spreads between the low and inadequate returns to the primary (predominantly Indian) producers and the final prices for the finished products in retail markets. These spreads have been largely attributed to different sets of factors operating to varying degrees among different communities and with different communities and with different products, namely: (1) exploitation by individuals or companies having local monopolies in the purchase of the primary producers' outputs as well as in the provision of equipment and supplies; (2) wasteful competition and duplication of facilities; and (3) a high element of risk, in providing credit and in selling produce in outside markets that are subject to extreme fluctuations in price.

Several alternatives have been suggested at one time or another to meet these problems.

- (a) Processing and marketing cooperatives organized on behalf of Indian, Métis and a minority of other primary producers. While perhaps an ideal solution for their educative as well as economic benefits, such cooperatives would be exceedingly difficult to organize and run effectively, on truly democratic principles in the immediate future, mainly because of limitations in education, skill, experience and motivation among northern Indians and Métis, and various adverse factors in their social and cultural environment.
- (b) Government-owned and operated marketing boards, and storage and processing facilities, operating on both the buying and selling side. Presumably these would be under provincial jurisdiction,

though by mutual agreement such jurisdiction could be transferred to a federal government agency such as the Indian Affairs Branch. Much of its potential effectiveness might be vitiated, however, by long-established attitudes of many Indians and Metis towards government agencies.

- (c) Perhaps the most effective and reasonable compromise, in the immediate future at least, might be privately-owned and operated marketing and processing facilities that have local or regional monopolies (or limited competition) under careful government control and supervision, along generally similar lines to those of public utility regulation. In principle, at least, this could prevent wasteful competition and duplication of facilities, on the one hand, and monopolistic price exploitation on the other.
- 4. The handicraft industry, as a potential source of additional employment and income for Indian households in many areas, is one that perhaps requires a special research study on a fairly wide scale, and should include such questions as the feasibility of large-scale centralized marketing facilities, provision of equipment and supplies, and more efficient division of labour and sub-division of processes.
- 5. Community development as the term is generally interpreted to mean, should be viewed as playing a distinctly secondary or ancillary role in the economic development of Indians in the northern belt. The prime need, as indicated above, is to support, by all feasible means, the maximum free movement of Indians away from their present reserves to become re-employed and re-established in more promising centres. For those who wish to remain in or close to their home reserves, the main requirements are those of training in new (or at present unacquired) skills, and new and more efficient equipment and facilities. In any case, the prior needs appear to be those of intensive training in various techniques, and sizable investments of capital, for the members of most or all band communities.

Community development may be viewed primarily as a device for imbuing the residents of a community, individually and collectively, with the motivation and will to undertake, on their own volition, measures to improve their situation -- in a word, to help people to help themselves. Given the provision of adequate technical training and capital investment, as suggested above, community development could play an important supporting role in encouraging the more enterprising Indians to emigrate from their reserves, and encouraging the residents to rationalize the hunting and fishing, fuel gathering, kitchen gardening, and building projects that could add materially to their real income, comfort, welfare and morale. Without something tangible to work with, by way of more efficient techniques and equipment to utilize available resources, community development efforts alone might lead to frustration and disillusionment.

(2) Bands Located in Farming Areas

- (a) For bands located in rural areas that lack sufficient land or locally available job opportunities, the main problems of economic development would seem roughly comparable to those of most northern bands discussed above. The first priority, therefore, also appears to be that of training, preparing and financing students and younger workers or households for permanent residence and employment in urban centres that have sufficient job opportunities, in areas located too far from home reserves to allow for regular daily or weekly commuting.
- (b) Much the same sort of considerations apply to many bands across Canada in which arable land within reserve boundaries could, potentially, support a larger number of farm households than it now does. The question then arises: To what extent should the Indian Affairs Branch, as part of an economic development program, provide financial subsidies, technical advice and other forms of aid to encourage larger numbers of Indians to engage in commercial farming?

As spelled out in some detail in preceding chapters of this Report, the available evidence appears to weigh overwhelmingly against such a policy. Commercial farming generally is the most overcrowded single field of employment in Canada, with the result that underemployment is considerably greater, and the income from gainful employment considerably less on the average than for other industries and occupations. The same applies to Indian farm proprietors in comparison to fellow band members engaged in wage or salaried employment in other industries. They are generally less motivated and experienced than White farm proprietors, and their incomes and financial resources are, on the average, far more limited.

In the vast majority of cases, therefore, it would not be economical for the Indian Affairs Branch to attempt to establish Indians in commercial farming. The money, time and effort and personnel that would be required could be used more effectively for training and financing Indians who wish to leave their reserves to work in other industries.

- (c) In some cases where circumstances allow, and where land titles are in suitable form, it might be a better course of action to encourage consolidation of farms in Indian communities into larger-scale, more efficient units. Where individual Indians have the requisite desire and aptitude, presumably they should be encouraged to undertake such efforts with the aid and counsel of properly qualified agricultural experts and with liberal credit extended by the Indian Affairs Branch (or its future counterpart under provincial administration).
- (d) In bands in which such skills, aptitudes and preferences are lacking, it would be more economical to all concerned to lease the land to outside operators, and use the revenues for purposes that the band agrees to (as is now done in some cases).
- (e) In still other cases where Indian band members are resistant to consolidation of holdings into larger units, and to leasing to outsiders, it may be more economical to leave it idle and unused rather than to subsidize the owners to encourage them to farm it.
- (f) The analysis so far has been concerned mainly with the prospects of Indians in commercial farming. This does not rule out subsistence farming among Indians who own or control farmlands and who, for one reason or another, are unable to migrate and sustain themselves by employment outside the reserve. Where idleness and dependency are the only alternatives, it would seem logical to provide every reasonable encouragement or pressure to engage in subsistence farming and other community projects that would contribute to the real income of the band members. This, presumably, would be among the most useful types of projects for a community development program to undertake.
- (g) To a certain extent, it might prove economical also to encourage greater specialization and division of labour within bands located in agricultural areas. It would be far less so than in the more isolated northern bands, however, for in most farming areas, specialized repair and other retail services are available in cities and towns for the surrounding farm populations.
- (h) Seasonal farm labour is generally low paid, and working and living conditions are generally inferior to those applying in other industries. The Indian Affairs Branch, therefore, should encourage Indians to participate in this type of work only temporarily, where it is useful in accustoming Indians to wage work outside their reserves, where other employment opportunities are lacking. Every effort should be made -- including periodic inspection by placement officers and other personnel, and pressure on provincial and local authorities -- to assure that adequate rates of pay and facilities are provided by employers.

(3) Disorganized Bands Near Urban Centres or Industrial Projects

Many of the most depressed bands are located close to urban centres or new industrial projects offering manifold job opportunities. Here the main problems of economic development are not physical -- in the sense of distance or isolation, or shortage of resources -- but social or psychological in nature.

This is the sort of situation in which a well planned community development program would appear to have the highest priority. Community development, however, would have to be directed as much or more towards the Whites as towards the Indians. It would have to be accompanied by the following:

1. an intensive program of training of Indians to prepare them for the types of job opportunities available;
2. intensive training and counselling work, particularly among Indian women, in household economics, dress and personal care to prepare the families for living in a new and changing urban industrial environment;
3. an intensive social work program for rehabilitation; and
4. an intensive educational and public relations program aimed at key groups in the White community.

A key issue of policy is whether, in the educational program designed for Indians, a special effort should be made to educate and train Indian students and provide special incentives to them to return to their home communities to provide the various professional, educational, and administrative and other services now performed largely by Whites -- as agency superintendents, teachers, nurses, technical experts, community development officers, and the like. On the face of it, this would seem to be a logical objective. On the other hand, it is not entirely clear that Indians would be better suited to perform such services in view of such difficulties as the factionalism frequently found in Indian communities and the ambivalent attitudes of Indians towards themselves as well as Whites (describable in over-simplified terms as an inferiority complex).

(4) Relatively Developed, High-Income Bands

For the minority of relatively developed high income bands, there is little that one can recommend in a general research survey of this kind by way of specific programs to encourage further development other than the provision of expert advice, facilities for educational and vocational training and the like. It would seem only logical that the poorer, under-developed bands should get the highest priority.

- (a) There can be an argument for encouraging greater diversification in training and employment among members of the higher income bands. The highest income bands, as noted earlier, are those in which a majority of the adult males are specialized in high-wage manual employment. This renders the community potentially vulnerable to sharp economic reverses, due to depletion of resources or to technological change and displacement of labour. A greater diversification of the occupational and economic base of such communities seems a desirable objective in the long run.
- (b) A number of high income bands occupy reserve land that is strategically situated to take advantage of industrial and commercial development of various kinds, and in a number of cases Indians have become successful industrialists and business proprietors on a modest scale. In such cases, it would seem appropriate to aid and encourage band members to develop their own local industries as much as possible by provision of adequate capital and expert technical advice in business management and operation. In many cases, however, it may be more economical and productive in the long run to lease reserve land to outside interests to use for industrial or business sites, as these latter, having larger amounts of capital and expertise, can operate on a scale and level of

efficiency that few or no band members can manage. In such cases, it would seem appropriate that every effort be made to assure that Indians are given prior opportunity and training for new job opportunities that the tenant firms provide.

- (c) In some cases, bands may refuse to lease reserve land that would contribute materially to their revenue where they fear that an influx of outside business or industrial interests may cause disruption in the community and threaten their survival as a distinct cultural entity. Such has been the reaction, for instance, among the Caughnawaga and Six Nations. While such reactions may be uneconomic in the orthodox sense, they seem justified in terms of human goals and satisfactions. Economic development, after all, is merely a means for fulfilling the goals that a people deem important, and if cultural survival is a prior value of a band's members, they should be given every assistance to use their economic assets to that end.

C. Government Responsibility for, and Administration of, An Economic Development Program for Indians

The recommendations outlined above call for a much larger and more comprehensive program for the economic development of Indians in Canada, making necessary a vastly larger budget and a greater number and variety of trained personnel to this end. The question then arises: What portions of the total program, and which parts or aspects of it specifically, should be financed and administered by the federal and provincial governments respectively?

This, of course, is much too large a question to attempt to answer in any sort of detail at this point, and is considered again in later chapters. Offered below are merely a few broad observations on the economic aspects of this question.

The Indian Affairs Branch, to an increasing extent, has had to depend upon provincial government agencies and personnel and provincially-owned or controlled resources to carry out its responsibilities to Indians, and to pay provincial governments on some mutually agreed upon estimates of cost for services rendered. There seem, on the face of it, to be some strong arguments for giving the provinces most or all of the responsibility for economic development programs on behalf of the Indians. The main reasons offered appear to be as follows:

- (a) The wide diversity of problems to be faced in furthering economic development, varying widely from province to province, and among different Indian communities within each province. Most such problems appear to be local, or at most, regional in scope, involving such issues as the utilization by Indians of resources accessible to their band communities; job opportunities within limited distance from their reserves; relationships with Whites with whom Indians come regularly, or periodically in contact; and so on.
- (b) Economic development for Indians requires, increasingly, their greater participation in Canadian society. In specific terms, this involves, for an increasing proportion of the Indian population, greater mobility and residence for long periods, or permanently, away from their reserves. Inseparable from such mobility are increasing involvement and participation in, and dependence upon, institutions, agencies, facilities and services outside of the reserves (e.g. business or industrial undertakings; trade unions; schools; hospitals; social welfare agencies; recreational facilities and activities; and the like). The vast majority of these are directly, and exclusively, under provincial jurisdiction or control, are financed or staffed by provincial government personnel, and/or are subject to provincial government rules and regulations.
- (c) The growing dependence upon wage or salaried employment, outside of their reserves, as the main avenue for the economic advancement of Indians in Canada. Provincial governments, in the aggregate, have jurisdiction over jobs accounting for more than 90 per cent of the Canadian labour force. The exceptions, under federal jurisdiction, are those in ocean, lake and river waterways and harbours; railways, airlines, and inter-provincial bus and truck transportation; telephone, telegraph, radio and television communication; and Federal government facilities and services. Hence, provincial governments are responsible for passing and enforcing legislation, covering more than 90 per cent of all workers in the country, concerning such matters as wages and hours, holidays, working conditions, labour-employer relations, protection against discrimination in employment on racial, ethnic or religious grounds, and the like. Effective protection of Indians against discrimination or exploitation, therefore, does and will have to depend primarily upon the terms of provincial legislation and their effective enforcement by provincial government personnel.
- (d) Provincial governments likewise have exclusive jurisdiction and control over the use of most resources, outside of reserve boundaries, on which the livelihoods of many Indians depend. In recent decades the cooperation of provincial government agencies with the Indian Affairs Branch has been necessary to protect Indians from ruinous competition and

displacement from primary resource employment (e.g. the allocation of trap lines and fishing licences in various localities). Protective action by provincial governments may well be even more important in the future. Indians are becoming displaced in increasing numbers from their traditional resource-based employments in hunting, trapping, fishing, and food gathering, and will have to depend increasingly for their livelihoods and economic advancement on wage employment in resource-based manufacturing industries, and the communities that develop around these, such as in sawmilling, pulp and paper production, mining and smelting, and hydro power development. Control over the use and allocation of resources gives provincial governments considerable leverage for assuring that Indians have sufficient opportunities for on-the-job training and employment in such fields.

In this connection, there are strong moral or ethical grounds for asserting that provincial governments should contribute far larger amounts of money and trained personnel for coping with the problems of depressed Indian communities of the kinds described above, for provincial governments, in the final analysis, have jurisdiction over the use of resources and the allocation of jobs within their boundaries and control over the types of development that take place in using these resources. Quite properly, therefore, they should assume prior responsibility for the social and economic costs that are a direct by-product of such development, such as depletion or spoilage of resources on which Indians depend for their livelihood, technological changes that render various types of employment obsolescent, new resource development projects and influxes of population that cause social disorganization in established communities, and so on. Hitherto provincial administration has tended to sanction various types of revenue, while dumping the problems they generate in the laps of other authorities, such as the Indian Affairs Branch and local or municipal governments.

- (e) The annual revenues and expenditures of provincial governments and of municipal governments under their jurisdiction have, in the aggregate, been increasing relative to those of the federal government in recent years, and now exceed the latter by a considerable margin. These provide -- potentially for Indians as well as for the rest of the population -- a much larger volume and variety of public facilities and services than in previous years, particularly in such areas as education, health and social welfare; transportation and public works; and resource development and conservation. They also provide, in the aggregate, a rapidly expanding field of employment in which provincial governments, where so inclined, could assure a wide choice of opportunities for on-the-job training and wage or salaried work for Indians. Particularly promising and important in this regard appear to be provincial government employment in areas of Indian population that are relatively far removed from major urban or industrial centres (e.g. construction work on roads, highways and other public works; resource development and conservation projects; educational, health and welfare services; and various types of clerical and office work).
- (f) In general, then, provincial governments within their own respective boundaries have, under their direct jurisdiction and control, the main factors that are crucial for the economic development of Indians, as discussed elsewhere in this Report: i.e. natural resources and industrial development; employment and labour-employer relations; regional and community planning and development; education, health and social welfare. And, to an increasing extent, they have the financial resources or revenues to support expanding facilities and services in these various fields. Hypothetically, then, if a provincial government were fully committed to a program of economic development for Indians within its territory, and this were made the responsibility of a senior minister or committee of the cabinet, it could conceivably achieve far more effective authority, coordination and drive than any program of the Indian Affairs Branch, which has to depend essentially on the voluntary cooperation of various provincial governments and agencies on a rather piece-meal basis.

The considerations outlined above indicate that, to an increasing degree, provincial governments have been, and will continue to be, assuming functions and responsibilities on behalf of Indians, which previously had been assigned almost exclusively to the Indian Affairs Branch.

It should not be concluded from this, however, that the role of the Federal government, or of the Indian Affairs Branch specifically, will or should decrease in importance, in absolute or relative terms, and much less that its functions and responsibilities should be transferred entirely to the provinces -- for the vastly enlarged and comprehensive program of economic development recommended for the Indian population across Canada seems likely to require greater efforts and expenditures at both levels of government. What should be anticipated is, rather, that there will be greater and, it is to be hoped, more efficient specialization, division of labour and coordination of functions between the Indian Affairs Branch and provincial governments in the enlarged program recommended. While the Indian Affairs Branch's role in some aspects of economic development may reasonably be expected to decline, relative to the provinces, in other aspects it should expand to far greater proportions than has been attempted hitherto -- for there are crucial issues concerning the economic development of Indians across Canada which individual provincial governments, in the nature of the case, are not equipped to handle.

- (a) Where, as outlined in (f) above, a provincial government is willing and able to commit sufficient money, personnel and resources to a comprehensive developmental program for Indians within its boundaries, and to use its full legal powers to protect their needs and interests, there may be good grounds for the Indian Affairs Branch handing over responsibility to that province, and limiting itself to a purely advisory role in that province's area of jurisdiction. This seems unlikely to develop in any but one or two provinces in the foreseeable future, however. For Indians across Canada as a whole, the role of the Indian Affairs Branch seems likely to remain of crucial importance.
- (b) As innumerable reports and surveys have stressed, there are wide inequalities in average per capita income and in government resources and revenues -- and, therefore, in the expenditures that can be afforded for economic development -- among the provinces. By and large, the provinces most in need of the facilities, personnel and services needed for adequate economic growth are least able to afford them. Achievement of a more balanced and equitable growth and division of economic opportunities across the nation as a whole, therefore, must depend upon programs initiated and carried out by the federal government (and for Indians, by the Indian Affairs Branch) in cooperation with other federal agencies).
- (c) Among the high-income provinces with relatively ample government revenues, there are wide discrepancies or inequalities in the priorities given to the development of human as against material resources respectively, and in expenditures per capita for such services as job placement of the unemployed, education, health and social welfare, as compared to those devoted to roads and highways and natural resources exploitation. British Columbia, for example, enjoys the highest average earnings per person employed of any province in the country. It likewise experienced the highest rate of growth in total income during 1951-61, and came second only to Alberta in expansion of employment and in investment per capita during this period. Yet, over the past two decades it has suffered the unusually high average annual unemployment rate of 5.1 per cent (as compared to 3.2 per cent for Ontario, 2.7 per cent for the Prairies, and 4.4 per cent over Canada as a whole). And, during 1961-63, it ranked fourth and fifth among the ten provinces in per capita government expenditures for health (including mental health) and education, respectively.¹ Such facts suggest that there would be unequal willingness among provincial governments to take over from the Indian Affairs Branch and effectively carry out responsibility for the education,

¹Figures quoted are from Economic Council of Canada, *Second Annual Review*, "Towards Sustained and Balanced Economic Growth", (Ottawa, December 1965), Chap. 5.

health, employment and economic development of disadvantaged minority groups such as Indians.

Such being the case, it seems only reasonable to assume that, to assure adequate protection and furtherance of the needs and interests of Indians, a federal government agency such as the Indian Affairs Branch will continue to be needed, and to have the financial resources necessary to provide adequate facilities and services to Indians, wherever and whenever provincial governments are unable or unwilling to do so.

- (d) Again, for many Indians, the most effective program of economic development will lie beyond the capabilities of provincial governments regardless of such considerations as their individual willingness or financial resources. For Indians in a number of the more depressed bands in the Maritimes and in Southern Saskatchewan or Manitoba, for instance, the most feasible means of economic advancement would appear to be that of movement to urban or industrial centres in other provinces.

Or again, for the large number of Indian bands across the whole vast northern wooded belt of the country from Quebec to British Columbia inclusive, a viable economic development program, as described earlier in this Report, would require a variety of special personnel, facilities and services which provincial governments could not provide, individually, without a great deal of wasteful duplication and unnecessarily high costs.

- (e) All this leads up to the central point stressed repeatedly in earlier sections of this Report; namely, that to achieve substantial economic development for the Indian population of this country, top priority must be given to measures that will enhance potential mobility, support those who wish to move away from their reserves, and train and otherwise prepare them for wage and salaried employment in available centres of job opportunities.

Provincial governments simply are not equipped to provide a comprehensive training and relocation program of this kind, and on the scale that will be required. Only the federal government has any sort of framework of trained and experienced personnel, research facilities and financial provisions, on the basis of which an adequate program can be developed. To date its activities along these lines have been inadequate, and carried out in uncoordinated bits and pieces.

A really effective program on behalf of Indians could best be carried out as one part of a new, larger, more comprehensive and better coordinated manpower program by the federal government for the labour force as a whole. The Indian Affairs Branch could and should have an important role in any such program, to provide experienced personnel and special facilities to meet the special needs of the Indian minority in the labour force.

- (f) This conclusion seems to fit in well with the recommendations of the Economic Council of Canada in its recently issued second report entitled, Towards Sustained and Balanced Economic Growth. The Council gives top priority to educational and manpower planning as the two most vital requirements for Canada's continued economic growth. In a general context of overall demand sufficient to achieve full employment, and vulnerable therefore to labour shortages and inflationary "bottlenecks", the report states that:

The area of greatest need for urgent and effective action is that of manpower and labour market policies. (p. 179)

Its specific recommendations in this area include the following:

- (i) Establishment of an effective administration, specifically, "the establishment of a new ministry of manpower services. Such a ministry could be the sole coordinator of all manpower policies and programs, including not only those now in the Department of Labour but also those in the Department of Citizenship and Immigration" (p. 181).

- (ii) Expansion of programs for training and retraining -- "An urgent need, as we stated in our First Annual Review, is to develop facilities to improve occupational mobility, i.e. the basic education, training and retraining of both new entrants to, and existing members of, the labour force" (pp.181-2).
 - (iii) More adequate labour market information -- "Nothing is more crucial to the development of an effective employment service and to the improvement of the functioning of the labour market than job vacancy data.... What is needed is specific and up-to-date information on job opportunities by occupation, industry, area, wage rates, skill and educational requirements" (p.183).
 - (iv) Effective programs to assist mobility -- "We urged a year ago that a program of adequate financial allowances be made to facilitate geographic mobility where this was desirable. This has become an increasingly urgent matter in view of the bottlenecks which have developed in the labour market" (p. 184).
- (g) The Economic Council of Canada was established by the dominion government two years ago as an advisory body of experts which could provide guidelines for and establish priorities in government economic policy. The Federal government now appears to be taking steps to implement some, at least, of the Council's recommendations. A new Department of Manpower is already being established to include the National Employment Service, the Immigration Branch, the Technical and Vocational Training Branch, the Civilian Rehabilitation Branch and the Manpower Consultative Service, as well as a large part of the Economics and Research Branch of the Department of Labour.

From this point of view the new department would seem to be the most appropriate place for the Indian Affairs Branch. For one thing, it should help establish retraining and placement in paid employment as the main priority for economic development, in place of farming and local resource development projects, which have tended to have top priority hitherto. However, this study has not paid adequate attention to all the possible implications of such a move and we cannot confidently make a recommendation. Even were a move made, it would not appear that the new Department of Manpower, with Indian Affairs as one of its branches, should assume responsibility for all the economic and other needs of Indians. A comprehensive economic development program on their behalf cannot consist exclusively of measures to encourage greater mobility, training and retraining, resettlement and job placement. Local resource and community development projects will continue to play an important role in many Indian communities. And, as stressed earlier, economic development will require various supporting programs in such fields as education, health, housing and social welfare. All these, in turn, will continue to require close liaison with and cooperation from other government departments and agencies at both the federal and provincial levels.

- (h) To return briefly to the original point at issue, i.e. federal vs. provincial responsibility for Indians in Canada: The fact that the individual provinces constitutionally have prior legislative and administrative jurisdiction over labour, industry and resources, as well as education, health and welfare, undoubtedly imposes serious limits on the effectiveness of any developmental program undertaken by the Indian Affairs Branch on behalf of Indians, just as it does for any larger program of economic or manpower planning undertaken by the federal government. But that is not to say that the federal government, or the Indian Affairs Branch specifically, should abandon such programs, or that the provinces could carry them out more effectively.

Canada's economic growth undoubtedly could be achieved on a more stable, and balanced and equitable basis if the federal government had more power to control the use of resources and the allocation of capital investment on a centrally planned basis (as the French government has, for instance). And the manpower program recommended by the Economic Council could be made to function much more effectively if the federal

government had more direct control over employers, and could require them to give prior notice of all dismissals and layoffs, and publicize all job vacancies (as is the case in Sweden, for instance). The same would be true, on a smaller scale, for any economic development program undertaken by the Indian Affairs Branch. The fact that it lacks the powers of provincial governments to directly allocate or control industry and resources, or to compel employers to follow certain policies, does not, however, mean that the provinces would be capable of assuming the main, or entire, responsibility for the economic development of Indians, any more than they are capable of carrying out an adequate manpower policy for the nation. For in both cases, to repeat, only the federal government has the financial capacity, personnel, research facilities and administrative structure for carrying out adequate economic programs, on a national scale, on behalf of the populations residing within the individual provinces. Given adequate financing, staffing, planning and coordination at the federal level, a great deal can be done to supplement provincial programs and influence provincial policy, despite the lack of direct federal legislative control or jurisdiction. How effective such programs will be in each province will depend largely, of course, on the degree to which provincial governments are willing to use their legislative and administrative powers to fully utilize and implement the funds, facilities and services made available by the federal government for economic development programs.

In any case, as part of a new department that is in the process of formulating an ambitious and coordinated manpower program, the Indian Affairs Branch should have opportunities for acquiring more prestige and status, and exerting greater leverage or bargaining power than it has had hitherto, to obtain adequate funds and personnel, and to elicit cooperation from other government agencies as well as from private interests.

CHAPTER XI

THE CANADIAN FEDERAL SYSTEM

Historically the Canadian Indian has had an especially strong link with the federal government and a weak and tenuous relationship with provincial governments. The initial basis for this circumstance was the assigning of "Indians and Lands Reserved for the Indians", 91-24, to the federal government under the British North America Act. In response to this assignment of legislative authority, an Indian Act was passed, an administrative structure was created, and special policies were developed for a particular ethnic group, the indigenous inhabitants of Canada. The result of the preceding was that the federal government involved itself in the provision of a complex series of services for Indians which other Canadians received from provincial and local governments.

This unique situation was justified and sanctioned by assumptions and attitudes which reflected the fact that while non-Indians lived in a federal system, the Indians virtually lived in a unitary state. Up until 1945 the federal government uncritically accepted its special responsibilities for Indians on the grounds that they were wards of the Crown. Provincial governments, with no pressure to do otherwise, assumed that Indians were beyond the ambit of their responsibility. The Indians, for their part, developed a special emotional bond with the federal government, and suspicious and hostile attitudes to the provincial governments.

For reasons to be discussed later, this situation has increasingly come under attack. New policies have emerged designed to render more normal the relationships of Indians and governments in the federal system. The attainment of this objective is fraught with exceptional complexity, and cannot be understood without a preliminary evaluation of Canadian federalism and the legal status of Indians.

This chapter analyses in some detail the basic aspects of Canadian federalism relevant to the present policy of moving the Indian more fully into the provincial framework of law and services. The following chapter analyses the legal status of Indians and the flexibility available for the development of a new pattern of federal-provincial responsibilities for Indians.

Federal systems are typically selected by constitution builders as a response to necessity. The factors of territorially grouped ethnic diversities, vast land masses, or distinct regional identities founded on separate historical experiences are capable, singly or jointly, of eliciting federal structures to create policy-making responsiveness to divergent needs. The basic characteristic of federal systems, the division of law-making authority between a central and several regional governments, is almost invariably accompanied by a written constitution which details the division of legislative authority, a final court of appeal to adjudicate inter-governmental legal disputes, and a complex amending procedure. A certain rigidity in the formal structure of federal systems is a corollary of the desire of the constituent governments for security in the

exercise of the powers they have been granted. Since the formal structure is relatively inflexible, and since the underlying society experiences massive changes over time, federal systems are prone to respond to new circumstances by the elaboration of informal mechanisms of flexibility which significantly alter the working of the system while leaving its formal structure relatively untouched.

The kind of relationships by which the various governments are bound to each other, and the relative importance of each level of government vary from a loose relationship for minimal objectives and with a weak central authority, to a highly centralized version with predominant powers granted to the central authority and only a restricted stage for the exercise of autonomy granted to the regional governments.

The formal structure of Canadian federalism in 1867 was highly centralist. The provinces were given the least burdensome functions, access to the least productive tax fields, and a restricted law-making authority which was subject to federal veto. In the Confederation debates they were frequently referred to, in a derogatory sense, as little more than municipalities.

In the period between 1867 and the present, there have been important cyclical shifts in the relationships between governments in the federal system, and in the relative importance of the functions performed by each level. One of the most important long-run changes has been the movement from a situation in which Ottawa was clearly the dominant government in the federal system to one in which the autonomy of the provinces has been given increasing recognition. The coercive instruments of federal control contained in the British North America Act -- disallowance of provincial legislation, reservation of provincial legislation by the Lieutenant Governor, and the general supervisory functions initially allotted to the latter federally appointed official -- have fallen into disuse. These formal mechanisms of federal control are virtually obsolete. Intergovernmental relationships are now bargaining relationships which take place within a context of interdependence which recognizes the growing role of provincial governments.

Coincident with the erosion of the dominant position of Ottawa which was clearly visualized in 1867, there have been important changes in the role of government at both levels. The concept of the positive state intervening in society on utilitarian grounds has become widely accepted, although disputes and friction still remain at the margin when changes in the role of government are under discussion. In Canadian federalism there has been a long-run tendency to magnify the significance of the functions entrusted to the provinces. Important burgeoning areas of government activity in health, welfare, education, highways, and the development of natural resources are provincial concerns. In retrospect it is evident that periods in which the central government played a predominant role have been products of crises in which the very existence of the federation seemed to be in doubt -- in general, the years of birth, war, and depression.

One of the most fundamental long-run changes in intergovernmental relations has been from a situation in which provincial and federal governments carried out their activities in reasonable isolation from each other to one in which there has been a proliferation of intergovernmental relationships. While the Confederation agreement presupposed a reasonable amount of intergovernmental collaboration, its extent was minimal compared to the present day. The basic reasons for the paucity of intergovernmental collaboration at Confederation, and indeed up until World War I, were twofold, the limited functions then performed by governments, and the related absence of sufficient administrative competence for the performance of more extensive and sophisticated tasks. In essence the lack of federal-provincial cooperation reflected the fact that the necessity for harmonizing policies is primarily a product of attempts to control the economy and to achieve basic social objectives by government actions. As these were lacking, the impetus to cooperative federalism was also absent.

It was not, in fact, until the post World War II period that the actual interdependence of the two levels of government was sufficiently recognized for habitual and effective methods of intergovernmental collaboration to emerge. A brief discussion of the post war variant of Canadian federalism will serve to illustrate the nature of the change.

From the beginning of World War II to the present there have been more important changes in Canadian federalism than in the preceding seventy years. There was a marked assertion of central government powers. In the immediate post war period the federal government was unwilling to relinquish the powers it had originally acquired due to wartime exigencies. The combination of electorates seeking more extensive government services, federal politicians seeking votes, the growth of egalitarian sentiments, and little public concern for the constitutional structure of federalism dovetailed perfectly with the fiscal dominance of Ottawa to orient the federal system in a centralist direction. The record of provincial incapacity in the depression and effective federal government performance in World War II tended to justify an enhanced post war role for the federal government. The regional political revolts in Quebec and on the Prairies had moderated in intensity as prosperity returned and the attainment of office institutionalized protest movements. These factors combined to reduce concern for provincial autonomy. A further impetus for these changes was the contribution made by the war effort to a growing nationalization of outlook, especially among returning veterans and their relatives. The war also had an important effect in creating an electorate responsive to welfare ideas, and in conjunction with the depression revelations of the inadequacies of an unregulated economic system, facilitated an enhanced post war role for the state. The war and post war period also witnessed a dramatic speedup in the tempo of industrialization and urbanization in Canadian society and, although the process is not completely clear, this has been correlated in western democracies with an increase in government economic control and provision of welfare services.

Post war federalism developed new techniques of intergovernmental collaboration designed to minimize the barriers which a divided power structure imposed in the way of solving problems beyond the capacity of any one level of government. Less attention than hitherto was paid to the role of the courts in policing the boundaries of the federal system or to the possible usefulness of the amending process as a device to allocate functions to the government most suited to handle them. These traditional instruments of constitutional adaptation were replaced by a new emphasis on flexibility arrived at by political agreement which left unchanged the formal provisions of the British North America Act. The constitutional divisions of legislative power declined in significance as exclusive determinants of the actual conduct of governments in the system. Jurisdictional lines are increasingly blurred as governments pool their fiscal resources and legislative capacities to tackle problems which could be handled by a single government only with difficulty. A dramatic increase in the scope and intensity of intergovernmental collaboration has been brought about by a striking improvement in the sophistication of technique and understanding which civil servants and politicians bring to bear in making the new federalism workable. Flexibility is now primarily located in new sets of attitudes and assumptions of politicians, civil servants, and the general public which are manifest in a complex pattern of agreements negotiated by the executives of both levels of the federal system. Thus post war Canadian federalism differed greatly from its predecessor with respect to the significance to be attached to the divisions of power found in Sections 91 to 5 of the British North America Act, the mechanisms for accommodating the federal system to the changed demands which were made upon it, and the amount of intergovernmental cooperation that occurred.

There has been a growing realization that federal-provincial relationships must be flexible and capable of frequent revision as circumstances require. There is less inclination than formerly to look for final solutions, for they imply rigidity. Cooperative federalism is an attempt to overcome constitutional and legal relationships with the much greater flexibility of the political approach. Underlying and contributing to the blurring of jurisdictional lines there has been the growing interdependence of the activities of both levels of government which clearly requires intergovernmental cooperation for maximum effectiveness. Federal and provincial politicians and civil servants increasingly realize the necessity of living in the short-run because of the unpredictability of the circumstances they will encounter in the future. In consequence there has been the growth of a pragmatic approach to problem-solving in Canadian federalism. Cooperative federalism is basically less a theory than a pragmatic response to demands which could not be effectively met within the framework of strict respect for divided jurisdictional authority. An ad hoc piecemeal approach has dominated the

techniques of problem-solving in Canadian federalism since the failure of the Rowell-Sirois proposals and the federal proposals at the post war reconstruction conference to gain provincial acceptance.

The federal government saw its post war role not only as one of economic stabilization in accordance with Keynesian principles, or as one of providing the provinces with adequate unconditional revenues to undertake their functions, but to a significant extent as determining the standards by which specific provincial services were to be provided. The post war federal government was diligent in finding a national or public interest in a wide range of provincial services to justify federal financial inducements to alter the priorities and standards by which particular provincial public services were to be performed. The Rowell-Sirois commission had proclaimed that the "mere importance of a service does not justify its assumption by the dominion", but this opinion in no way inhibited the federal government's diligence in discerning some kind of national interest in a great many provincial services in order to justify its intervention. The intervention was primarily accomplished by the mechanism of conditional grants. This was a device whereby Ottawa, using financial inducements, persuaded provincial governments to alter their performance in aided areas of activity in the direction desired by the donor government. The conditional grant, a device which evaded constitutional restrictions by by-passing them, allowed a changing mix of federal and provincial financial support for functions assigned by the British North America Act to the provinces. Essentially it is a device which induces the provinces to do something they would not do, or would not do in the same manner, without federal financial assistance.

These grants underwent a dramatic increase in the post war period, growing from \$50,000,000 in 1945-46 to \$860,000,000 in 1963-64. The paradoxical feature of this striking growth is that for most of the post war period, overt provincial criticism was almost non-existent. Quebec excepted, provincial governments were prepared to tolerate federal involvement in provincial jurisdiction which markedly affected their capacity to establish their own policy priorities. The levelling of jurisdictional barriers by the conditional grant resulted in a "fused federalism" characterized by involvement of the federal administration in virtually all of the provincial areas of "exclusive" jurisdiction: natural resources, social welfare, highway building, higher education, local government, and so on. Provincial acquiescence was the more surprising in view of the serious criticism conditional grants had received at the hands of the Rowell-Sirois report in its comprehensive survey of Canadian federalism published in 1940.

The widespread use of the conditional grant mechanism was the most striking indication of the breakdown of classical federalism and the recognition of the emerging interdependence of government activity at all levels of the federal system.

Explanations for the successful conduct of a growing area of federal-provincial interaction are not easy. The relations between federal and provincial governments defy simple analysis. Relationships vary from those of an ad hoc informal nature at the "grass roots" level of administration to formal continuing collaboration under the aegis of legal agreements. It should also be noted that although, in some cases such as federal-provincial conferences at the highest level, it may be argued that confrontation and collaboration take place between governments as such, this is not always so. In fact, in most cases contacts occur between small official groups drawn from each jurisdiction. The clashes or compromises which take place at this level of contact differ little from those which occur between officials of different departments of the same government.

Post war Canadian federalism has been characterized by a proliferating committee and conference structure which brings together federal and provincial politicians and civil servants to develop and administer intergovernmental agreements and to discuss extension of joint endeavours to solve problems outside any single jurisdiction. The most obvious device here has been the top level political conference at the level of premiers and cabinet ministers. While this category of interaction attracts the most attention and provides important possibilities for the exchange of views and the resolution of tensions, it is likely that a host of federal-provincial committees at the civil service level play a more important role in harmonizing the workings of the federal system. This fused federalism is to a large extent an administrative federalism.

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It is, therefore, of great importance to understand the factors that facilitate or inhibit administrative collaboration across the jurisdictional dividing lines of the Canadian federal system. By common consent the most important factor here has been the emerging professionalism of both jurisdictions. This has had the effect of creating horizontal groupings of professionals who were typically less concerned with hierarchy and departmental loyalty than with the accomplishment of tasks by the application of professional standards. These officials were able to make common cause for, their objectives and to make common professional standards basic criteria for decision-making.

The capacity of professionals to collaborate with each other was related to their occupational culture. Professionalization triggers off a number of developments which strengthen the bonds between individuals with similar expertise. The growth of national associations, publication of journals, and in-group meetings at conferences, tend to support identification with fellow professionals at the expense of ties of loyalty and obedience to hierarchical superiors devoid of expertise. Such individuals belong to subcultures based on particular skill endowments which frequently constitute the primary focus of their concern. As Smiley says:

It may also well be true . . . that officials in these specialized intergovernmental groupings do not look single-mindedly to their hierarchical superiors for rewards. Once such a community of interest and purpose is established officials may come to that community for influence and status. If and when this is so, the conduct that will result in the desired rewards being conferred will be based on the ability to establish and sustain cooperative relations with officials of other jurisdictions.¹

Not only do these individuals share a common identity but they have the natural desire of specialists to solve problems themselves without the intervention of superiors less cognizant of the values of the specialist group. Such officials know that failure to solve intergovernmental tensions in their own field by their own actions could lead to the intervention of outsiders possessed of different values. Also, once a federal-provincial program becomes a going concern, officials in both governments have strong motives of self-interest in its continuation. They recognize that their program has greater financial support under a conditional grant arrangement than would be the case if federal funds were not forthcoming. A department which receives a conditional grant obviously is placed in a favourable bargaining position vis a vis its own treasury officials.

The service is provided on the cheap as far as the administering government is concerned. Presumably the difficulty of treasury control is enhanced by the fact that the program officials involved can always plead the cause of not jeopardizing federal-provincial relations by refusing to accept federal financial support, and on the grounds of the alleged national interest involved in a program of concern to Ottawa. One result, therefore, of a conditional grant is an increase in the autonomy of the aided department from external supervision. This interpretation is supported by the fact that analysis of conditional grants in Canada generally finds program officials to be warm supporters, while treasury officials tend to be hostile or lukewarm.

The federalism of the conditional grant era, therefore, was characterized by a relaxed political control of the civil service untypical of the theory of parliamentary government with its assumptions of ministerial responsibility and tight political control. This development was facilitated by the growth of a much more extensive set of collaborative arrangements between federal and provincial officials jointly concerned with particular functions than prevailed

¹D.V. Smiley, "Public Administration and Canadian Federalism", Canadian Public Administration, Vol. vii (September 1964), p. 379.

between political ministers and the personnel of control agencies such as the Treasury Board. There was, therefore, a greater degree of contact between professionals with narrow, but similar, interests than between officials and politicians of the two governments more concerned with coordination and with the assessment of priorities. This situation facilitated the isolation of one program from another and gave program officials in conditional grant areas a degree of autonomy not enjoyed by officials in non-aided areas.

Up until the mid-fifties, post war federalism was basically centralist. Although no comprehensive reallocations of federal-provincial functions were undertaken, the cumulative effect of ad hoc changes was consistently in the direction of centralization, it is now, however, evident that this trend has been reversed, and that Canadian federalism has entered a decentralizing period. Since a main aspect of Branch policy is to increase the provincial role pertaining to Indians, this growth of provincial self-assertion and power merits examination.

The most obvious statistical indication of the changing nature of Canadian federalism is the shifting proportion of total government expenditures accounted for by the different levels of government in the system. Provincial and municipal government expenditures are growing rapidly relative to central government expenditures. In 1939 federal, provincial, and municipal governments shared almost equally in total government expenditures in Canada. Under wartime pressure the federal share rose to 87% in 1944. By 1963 the federal share had dropped to 46%, the provincial share had risen to 26%, and the municipal to 28%. A projection of government expenditures indicates that if there are no major changes in defence spending and no major reallocations of functions between governments, each level of government will be spending about one-third of the total by 1980 – a return to the pre-war division. Given provincial responsibility for municipalities, such a trend would put two-thirds of total government expenditures under provincial jurisdiction. The factors behind existing and anticipated changes basically reflect the fact that the functions of government undergoing the greatest expansion are primarily municipal and provincial. The provinces, in asserting their needs and rights to more tax money, have the obvious justification that they and not Ottawa are constitutionally entrusted with authority over most of the developing areas of government activity.

It is not necessary for our purposes to comment in detail on all the factors which help explain the shifting balance of power in the federal system. The following points are relevant:

- (1) The period of centralization which is presently receding was in large part an aftermath of war and depression. As the influence of these events has waned, the justification for federal dominance in the political system has correspondingly declined.
- (2) The perceived importance of fiscal policy to counter economic fluctuations appears to have diminished in recent years. As a result, the rationale for federal fiscal dominance has weakened.
- (3) The federal government's ability to offer uncompromising resistance to provincial pressures for decentralization has been reduced by the minority government situation which has prevailed in four of the last five federal elections. In contrast to the weak appearance of the federal authority most provincial ministries are faced with ineffectual oppositions, are led by strong-willed and aggressive premiers, and in a number of cases have enjoyed exceptionally long tenure of office.
- (4) These changes have been accompanied by and reflect fundamental improvements in the competence of provincial administrations. The marked improvement in the competence and confidence of the public service in almost every province has been a factor of peculiar influence in federal-provincial relations during the past ten years. Civil service reforms, the elimination of patronage, entrance by competition, and security of tenure were introduced first at the federal level and then spread slowly to the provincial governments. Today the process is almost complete and it is no longer safe to assume that administrative competence resides only in federal hands. In area after area the

provinces possess a predominance of administrative competence and expertise. This emergence of expertise, especially in the large and wealthy provinces, has removed much of the paternalism from federal-provincial relations in specific areas, and we can expect provincial administrators and their political superiors to become even less likely to accept federal leadership as they grow more aware of their own capacities.

- (5) There has been a gradual shift in the social and economic thinking about the role of government in the economy and with respect to welfare. In the post war period economic policies were essentially generalized measures to ensure full employment and economic growth. In the field of welfare, the basic improvements, commencing with family allowances, were located in the various categorical programs of income maintenance. As it became clear that these system-wide approaches did little to improve the position of disadvantaged groups such as Indians, or to alleviate the economic problems of particular areas, emphasis shifted to more discrete approaches which singled out particular communities and groups whose needs required special attention. This emphasis is manifest in various community development programs, in ARDA, and in the economic activities of provincial governments which are frequently oriented to the particular economic needs of depressed localities. The significance for the federal system of these developments is simply that while system-wide approaches naturally emanate from the federal government, the more specialized approaches required for the attack on the problems of particular groups or localities are more appropriately handled by provincial governments in many cases.
- (6) The emergence of a new administrative and political elite to power in Quebec has led to a vigorous assertion of provincial power with accompanying demands for more "tax room" and for federal government withdrawal from its involvement in provincial matters. The changes in Quebec include a significant increase in the tempo of economic interventionism by the provincial government, one effect of which is to further reduce the relative importance of the federal role in economic matters.
- (7) The growing power and influence of the provincial governments in Canadian federalism is intimately related to the importance of the economic levers they control. The growing expenditures of provincial governments exert a weighty influence on the country's economy. All but three of the provinces cover vast land areas whose lavish natural resources are exploited at the discretion of provincial cabinets. The boom in most of the northern hinterlands is subject to their exclusive jurisdiction.
- (8) New political orientations within provincial cabinets are combining with growing administrative competence to impart a planning emphasis into provincial economic policy. Unlike the decade of the fifties when provincial cabinets formulated their budgets with inadequate views of the future, all provincial governments now recognize that the expansion of their role in the provincial economy necessitates sophisticated understanding of, and reaction to, economic events within and without their borders. The result has been the formation of consultative bodies on economic policy -- the Manitoba Development Authority, the Nova Scotia Voluntary Planning Board, the New Brunswick Research and Productivity Council, the Quebec Economic Advisory Council, the Ontario Economic Council, the Saskatchewan Economic Advisory Council, and the Alberta Economic and Productivity Council.

The nature of the general development of a planning orientation in the provinces is helpfully described by Smiley:

The provinces have been increasingly successful in attracting able and aggressive officials in both their treasury and program departments and have increasingly guided their conduct in terms of long-term projections of the needs for roads, schools, hospitals and other public amenities. Provincial commitment to budgetary and program planning gave rise to dissatisfaction with the inherent paternalism of the grant-in-aid

device, particularly when Ottawa took action to sponsor new shared-cost programs or change the terms of existing ones without adequate prior consultation with the provinces. The complex of highly specific shared-cost arrangements was compatible with harmonious relations between the two levels only so long as provincial administration was somewhat haphazard and the 'fifty-cent dollars' available from Ottawa looked attractive because the provinces were not committed to rational procedures of priority-allocation).¹

- (9) The cumulative effect of the preceding has been to stiffen provincial resistance to ad hoc federal initiatives which disrupt provincial priorities and plans. One result has been a growing criticism of conditional grants, a criticism shared by the present federal Prime Minister. In his opening remarks to the 1963 Federal-Provincial Conference he stated:

We have now reached a stage at which it is wise, in the interests of effective cooperative federalism, to take stock and consider whether some of these programs should be changed in favour of a full assumption of provincial responsibility, if that is the wish of the provinces.

Often in the past these shared-cost programs have been the only way forward over the obstacles created by the uneven fiscal capacity of the provinces and the competing demands on provincial treasuries. In recent years, however, we have developed -- in our system of equalization grants -- an alternative way of meeting these obstacles and enabling all provinces to afford new programs. These unconditional, general purpose grants take into account fiscal needs .

One can readily conceive of a new arrangement involving transfer to the provincial governments of full responsibility for some of the present shared-cost programs; such a transfer could be carried out on a scale that would involve hundreds of millions of dollars. Naturally the provinces could not be expected to assume full responsibility on such a scale unless they were to be compensated. One way to do this would be in the field of equalization payments and by increases in the abatements which the federal government makes in its tax laws to take account of provincial taxes.²

Prediction of future developments in Canadian federalism is especially hazardous because for the first time since the depression Canadians are discussing the basic features of their federal system with passion and vigour. It gradually became clear that the cumulative effect of post war ad hoc changes with a short range emphasis was capable of introducing significant qualitative changes in the federal system. In reaction to this there has been a renewed concern for fundamentals. The attempt being made to find guiding principles in French-English and federal-provincial relations is one of the most important manifestations of the changing climate. The Laurendeau-Dunton Commission, the proposals for amending and delegation procedures, the swelling critique of conditional grants and the resultant opting out provisions, the ending of tax rentals, and the frequent demands for a new constitution are all indicative of a revived concern for the establishment of basic ground rules in Canadian federalism. In general, it seems evident that the federalism of the immediate future will reflect simultaneously the growing importance of the provinces and the necessity for an even greater degree of federal provincial collaboration to harmonize the inescapable impact of the activities of each level of government on the other in a time of increasingly positive government at both levels.

¹*Ibid.*, pp. 380-81.

²Federal-Provincial Conference 1963, Ottawa, 1964, p.14.

In retrospect it is clear that the cooperative federalism which prevailed from 1945 to the late fifties was, as its critics suggested, largely a one-way street. While consultations did take place in some areas, the federal government launched conditional grant sorties into provincial fields quite often without even informing those provincial jurisdictions which were supposed to help finance the federal initiatives. The selective nature of federal financial inducements often distorted priorities which the provinces had set up for their own fields of constitutional authority, but there was no *quid pro quo*; the provinces whose policy-making autonomy was effectively diminished by Ottawa's manoeuvres were not compensated with any influence over the exclusive federal areas of policy-making.

While cooperative federalism, in the sense of both levels of government trying to concert their policies wherever possible, will certainly continue, it will be a much different species than cooperative federalism mediated largely by the conditional grant technique which prevailed up until recently. As indicated above the conditional grant itself is now under serious criticism and it will doubtless play a less important role in the future of Canadian federalism than it has in the recent past. It is probable that federal involvement in specific provincial programs will become less important than the much more difficult task of attempting to find and use cooperative mechanisms with respect to policies of economic growth and stabilization.

This change in the subject matter of cooperative federalism will be accompanied by an important change in the key participants in cooperative federalism. The predominance of program specialists which prevailed in the conditional grant era when federal-provincial relations concerned discrete areas of activity will be replaced by a greater degree of collaboration at more general levels in which the key personnel will include prime ministers and premiers, ministers and officials of finance and Treasury Departments and leading personnel from planning and development agencies whose activities pertain to fundamental economic questions. Superficially it would seem that these developments will lead to a reduction in the autonomy of program officials and they may make agreement in specific areas more difficult to obtain or make such agreement dependent on agreement in other areas to an extent that has not prevailed in the past. The gap between the existing apparatus for cooperation on the one hand and the demands which future developments will place on Canadian federalism make prediction hazardous. It is clear that at the moment cooperative federalism represents a goal still to be achieved rather than a habitual pattern of institutionalized cooperation that can be taken for granted.

In the midst of this century-long context of change in Canadian federalism, one factor has remained constant -- the almost total exclusion of Indian communities from the services provided by provincial governments. Partly by default and partly by choice, the Indian Affairs Branch became responsible for administering almost the entire life of a small minority. A clientele department with an especially broad area of concern, it has been forced to deal with education, welfare, local government, economic development, community change and a series of specific responsibilities pertaining to the special status of Canadian Indians. The Branch, in short, has been a miniature government rather than an ordinary functional department. The Indians for whom it provided services numbered approximately 100,000 at the turn of the century and have recently grown to 217,864 in 1965. As of March 31, 1965 there were 551 bands and 2,267 reserves (including 72 Indian settlements not classified as reserves) administered by 87 agencies.

In response to post-war pressures the Indian Affairs Branch underwent important organizational and policy changes and involved itself in a number of new areas of activity. Clerical influence in education was reduced; qualifications of school teachers were improved; a small group of welfare specialists was hired; a large-scale housing program was developed; a revolving loan fund was created; an economic development division was established, and a new Indian Act was passed. In general, the Branch enlarged its budget and its personnel, brought in professionals, attempted to improve its standards of service, and began to stimulate research into the problems it was encountering.

In spite of these efforts, it has become increasingly evident that the Branch cannot develop the same degree of internal specialization of function

and personnel as have the other governments in the federal system which constitute the model on which it is increasingly judged. The population served by the Branch is smaller than that of every province but one, smaller than several Canadian cities, and so geographically dispersed that the efficient use of specialist personnel was, and is, seriously hampered.

While these problems have always existed, their importance has grown due to two new post-war factors. Fifty or seventy-five years ago when governments played a comparatively restricted role, the special status of Indians, and in particular their exclusion from provincial services, was not overly disadvantageous. The restricted level of services provided Indians by the Branch probably did not materially differ from those received by their non-Indian neighbours from provincial and municipal governments. Now, however, with the development of positive government at the provincial level in such key areas as education, welfare, and economic development, the disadvantages of Indian exclusion are marked.

In a very general way it would seem that the seriousness of Indian exclusion from provincial government services can be measured by the relative significance of those services to all government services. Statistics cited earlier make it clear that the magnitude of provincial (and municipal) expenditures is rapidly increasing relative to federal expenditures. It is generally evident that the positive impact of provincial governments on the standards and styles of living of their citizens has markedly increased in recent years. While these are blunt standards of assessment, they are sufficient to reveal that an absence of provincial involvement with Indians constitutes a graver disservice to the Indian people than hitherto was the case.

The increasing importance of the services constitutionally assigned to the provinces has been accompanied by overall improvements in the competence of provincial administrative personnel. While this is not a sufficient condition for extending provincial services, it is a supplementary condition of considerable importance. In a number of areas the balance of civil service understanding and skill rests with the provinces and it is a disservice not to bring Indians into contact with the expertise at the disposal of provincial governments.

The disadvantages in service provision which now attend Indian status occur at a time when no successful defence can be offered for an inferior second-class status for a non-White ethnic minority. One of the factors which has been of great importance in fostering the policy of extending provincial services is the principled opposition to differential treatment along ethnic lines. While liberal democracies not only tolerate the special claims of certain groups --the aged, the unemployed, the sick, the young, etc. -- but provide special facilities or benefits for individuals in these categories, they have been increasingly unwilling to tolerate different treatment based on grounds of "race" alone. The ending of imperialism in Africa, the struggles of the American Negro for equality of treatment, and the propaganda necessities of the Cold War have all contributed to this new climate of opinion to which governments are responding. Differentiation on ethnic grounds has become synonymous with discrimination, apartheid, second-class citizenship, and generally a host of emotive catch-words.

General egalitarian values and specific hostility to ethnic discrimination render politically difficult the continuation of serious differences in the levels and quality of services provided to Indians and non-Indians. The growing sophistication of the services of provincial governments confronts the Branch with an impossible task should it attempt to provide on its own similar services for Indians. The impossibility, in the absence of unlimited funds, of the Branch providing comparable services constitutes an important structural reason for increasing the tempo of provincial involvement. The desirability of generally procuring the extension of provincial services to Indians is an inevitable consequence of the growing importance and sophistication of those services.

In the fields of roads, welfare, education, and resource management primary responsibility and expertise resides in the provinces. Policies designed to further local economic growth also require provincial cooperation because of provincial control of natural resources and a growing concern for planned resource management. The preceding all constitute functional areas of marked importance for any policies designed to alleviate the backward conditions which prevail in many Indian communities.

It is evident, therefore, that existing trends strongly support the policy of extending provincial services to Indians providing suitable arrangements can be made with the provinces and Indians are in favour of such changes. Public and parliamentary support for this policy is found in the 1946-48 Special Joint Committee of the Senate and the House of Commons appointed to examine and consider the Indian Act and in the representations made to the Committee. Strong advocacy of this policy can also be found in the representations before the 1959-61 Joint Committee of the Senate and the House of Commons on Indians Affairs and in the Committee's recommendations.¹

In response to these pressures and in the light of its own analysis of the situation, the Indian Affairs Branch has accepted the necessity and desirability of increasing the involvement of the provinces in Indian affairs. For reasons to be described below, provincial governments have become much more receptive to these Branch initiatives than they would have been a decade earlier. The concept of the Indian as a "ward" of the Crown, and a special and exclusive responsibility of the federal government is weakening.

As a consequence of these new responsibilities, there has been an important shift in the style and orientation of the Indian Affairs Branch. The Branch which had been one of the most parochial of government departments has become increasingly outward looking. The policy of extending provincial services necessarily means that one of the most important contemporary Branch activities is the development of the kind of positive relationship with provincial governments which will induce the latter to employ their resources and abilities on behalf of the Indians who live within their boundaries.

Pursuit of the objective of extending provincial services to Indians has placed the Branch in a new role which is essentially diplomatic. The Branch has become deeply involved in the intricacies of Canadian federalism. It is helpful to see this Branch role in the light of international relations. If the Branch is viewed as an independent state and the provinces as other independent members of the international community, then much of Branch activity is clarified. Formerly in this international system the Branch had an isolationist foreign policy. The development of formal relations with the provinces has been very recent. As a result, the Branch has very little experience in this area. Formerly there were a number of local arrangements between administrators, but, aside from fur and game, almost nothing of a continuing nature. The Branch was an inward looking body which avoided foreign entanglements. As this role became obsolete, the Branch became more outward looking. It found that it required the services of other governments to fulfill its responsibilities, This required the development of new techniques for negotiation and follow-up with the provinces. As a result, a new Federal-Provincial Relations Division was formed to provide staff advice and to keep track of proliferating agreements with provinces, school boards, and private agencies. The preparation of formulae which combine appropriate legal terminology with precise definitions of financial responsibilities and control mechanisms has become a key sector of activity.

Conversations with Branch officials reveal the apposite nature of the analogy. They are "pleased with the developments in province X", "worried about the breakdown of an agreement with province Y", "disturbed by a recent speech by a provincial cabinet minister from province Z", and so on.

From this perspective certain basic points, which will be further developed in a later chapter, can be made.

Perhaps more than any other federal branch or department, the special nature of its task requires the Branch to be exceptionally well informed of the intricacies of the federal system in which it must work. The successful implementation of a federal role for the Branch will require changes and improvements in the realm of attitudes, knowledge and machinery. In spite of official changes in policy, the Branch is still hampered by traditional attitudes derived from its isolationist background. In a number of cases, it was

¹These two important Committees will be cited hereafter as Joint Committee followed by the appropriate year.

observed that the "federal" role of the Branch did not have the high priority which its importance justified. It is all too easy to assume that the time-consuming task of maintaining and developing good relations with the provinces is of lesser importance than working with "the files". The knowledge available in the Branch for the successful performance of a diplomatic role is inadequate. Factual knowledge of provincial legislation is often either unavailable, or, if available, is so diffuse and scattered as to be unusable. It is an admittedly difficult task for the Branch to be fully aware of legislative and policy changes in each province, the import of such changes for Indians, and the making of whatever representations are required to see that such changes do not discriminate against Indians either deliberately or through inadvertence. While perfection is not to be expected in matters of such complexity, significant improvements in Branch performance can, and should, be made.

A consequence of a federal system is that the actions of each government in the system constitute variables for the other governments. Eleven major governments exist in the same political system. If they are to make the association fruitful, they will not deliberately or unconsciously pursue policies or initiate changes which frustrate the legitimate objectives of other governments in the system. Thus an elementary goal of general policy in the field of federal-provincial relations is to reduce the uncertainty which the diffusion of power in a federal system involves. This, however, is only a beginning. It is necessary to go further and where appropriate to pool federal and provincial legislative authority and fiscal capacities to provide solutions to problems which could not be as efficiently solved by either level of government acting alone.

As applied to the needs of Canadian Indians, an ideal policy would be one in which both levels of government applied their respective legislative and fiscal resources in a cooperative fashion to overcome the general isolation, poverty, and backwardness which prevail in most Canadian Indian communities. The barriers to the attainment of this desirable result, and suggestions for overcoming some of the barriers are examined in the following chapters.