

# HISTORICAL ECONOMIC PERSPECTIVES OF ABORIGINAL PEOPLES *Cycles of Balance and Partnership*

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## I. INTRODUCTION

Seeking understanding of Aboriginal peoples' place in today's society and ultimately for the future means understanding the history that has brought us here. It is not the history that solely acknowledges the Euro-Canadian perspective that will bring this understanding but it is an holistic approach that also respects the Aboriginal world view. This strategy draws on "ways of knowing" that honor written and oral traditions and is blended with a spiritual element that promotes a full appreciation for both approaches. This paper combines the academic approach of transferring knowledge and information with the sharing of Aboriginal knowledge and wisdom. The focus is on economic development and in particular, governance and land, but it is presented within a context of the historical relationships that characterized Euro-Canadians and Aboriginal peoples.

An appreciation of the history of the Aboriginal presence in Canada is given little

importance to most Canadians leading the RCAP Commissioners to conclude:

Lack of historical awareness has been combined with a lack of understanding on the part of most Canadians of the substantial cultural differences that still exist between Aboriginal and non-Aboriginal people. Together these factors have created fissures in relations between the original inhabitants of North America and generations of newcomers. *They impede restoration of the balanced and respectful relationship that is the key to correcting our understanding of our shared past and moving forward together into the future.*<sup>1</sup> (Emphasis added)

The following sections examine the attitudes towards development and the ability to bring about development as circumstances have changed over time. But first, a brief look at the differences in perspective follows.

The objective of historians using a western science approach relies on written documentation

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to support an interpretation of events as a matter of “truth.” A cross-cultural setting complicates the strategies for achieving the goal of accurate and “complete” understanding.<sup>2</sup> In accounting for all the events under investigation, historians in the western science approach weave their explanations with human beings at the core in a secular, scientific manner that maintains the split with spirituality advocated through the ages by Galileo, Descartes, Newton, Einstein and other philosophers.

Distinguishing the spirit, from every aspect of life including mind and body is one critical difference in approach between Aboriginal peoples and Euro-Canadians.<sup>3</sup> Aboriginal historical tradition honours stories, legends and explanations handed down from grandmothers and grandfathers. All of Creation including “those who have gone before” figure in the oral tradition. Cultural values are shared with the listeners, community issues are clarified, place of a family in the community settled and the broad requirements of a vibrant society are met through these stories.<sup>4</sup> Individuals in the storytelling circle have their own understanding of the story meaning that reflects the community, the circumstances and the interpretation being passed on. Oral accounts are not simply a detached recounting of factual events, but rather are “facts enmeshed in the stories of a lifetime”<sup>5</sup> leaving room for “many histories” with variations reflecting unique relationships within and among communities and with the environment.

Relationships to the past and therefore, the present and future, vary between these world views. The western scientific view of the past, present and future is linear and is held by most of Canadian society. One point follows the other with historical events being finished far removed from the present and the future having possibilities for new experiences based on past lessons. The relationship between Euro-Canadians and Aboriginal peoples, for example, exists today irrespective of past wrongs that are concluded but more in a spirit of the future possibility of improvement.<sup>6</sup>

If that line is joined (past, present, future) one end to the other, then the cyclical nature of time is observed. This explanation more fairly represents an Aboriginal perspective. “The circle returns on itself and repeats fundamental aspects of experience.”<sup>7</sup> The “original relationship” between Aboriginal peoples and Euro-Canadians from the time of first contact to the end of the

fur trade includes some examples characterized by respect, cooperation and an appreciation for each other’s culture, both distinctions and shared characteristics.<sup>8</sup> However, this relationship is also characterized by disease, famine, conflict and paternalistic patterns towards Aboriginal people. This relationship sinks with the dying fur trade and the growing number of Euro-Canadians who overwhelm the land and the Original Peoples. The low point of dependence, colonialization and despair is endured and there is now “a slow upswing as efforts are made to *renew* the original relationships and to restore the balance that it represented.”<sup>9</sup> The balance is characterized by respect and equality.

While the approaches to time and thus history are different, these differences are important,

... not because they represent absolute distinctions between people-cultural worlds are too rich and complex for that—but because they serve to illustrate, however inadequately, that there are different ways of expressing ideas that, at a deeper level, may have much in common.<sup>10</sup>

For the purposes of this paper, these differences in approach are acknowledged and the discussion of economic development within the context of the history experienced by Aboriginal peoples that follows, honors both perspectives.

## II. ABORIGINAL PEOPLES: CHANGING RELATIONSHIPS

The discussion of issues of development and decision-making power is set out in four overlapping historical stages that follow each other but at varying rates and at different times for Aboriginal peoples living in regions throughout the country.<sup>11</sup> It is beyond the scope of this paper to give a full historical accounting of two societies but the pertinent history surrounding current economic development and governance issues will be addressed.

- **Stage 1 — Separate Worlds** Pre-contact where both societies developed separately under different influences of their environment until the point where contact is made and physical distance diminishes between Europeans and Aboriginal societies.
- **Stage 2 — Contact and Cooperation** Distinctions between both societies and acknowledgement of the ability of each to govern their

own members are maintained on a nation-to-nation basis. Cooperation when mutually beneficial occurs as members intermarry and trading and military partnerships are established. Disease ravages aboriginal populations while more European traders and settlers arrive.

- **Stage 3: Displacement and Assimilation** Mutual respect for distinctiveness breaks down and this period is dominated by interventionist attempts of Euro-Canadians to change Aboriginal societies resulting in residential schools and assimilation legislation under the Indian Act. Aboriginal people are displaced of their lands, resources and “rights.” Aboriginal people resist these changes and seek a relationship defined by respect within a dominant culture. The White Paper<sup>12</sup> that would have removed all distinctiveness for Aboriginal peoples is soundly rejected.
- **Stage 4: Negotiation and Renewal** Failure of assimilationist and interventionist policy is recognized by mainstream Canada. A renegotiation of a relationship based on respect for differences and partnership is precipitated in a context of growing national and international pressure for change. The damage of years of domination must be healed by Aboriginal peoples. A journey of dialogue, consultation and negotiation has begun.

### A. Separate Worlds

Prior to contact with European explorers, independent Aboriginal societies flourished across Canada’s far North and from coast to coast. In a word, “diversity” best describes these nations in terms of social, cultural and political organization but with some common patterns that were shared by many if not all nations.<sup>13</sup>

Some Aboriginal nations were able to accumulate wealth while others were not; some were more hierarchical than others; some had matrilineal rules of descent while others were patrilineal or bilateral; and some developed sophisticated confederal structures that grouped several nations together. That these patterns should vary by geographic region is not, of course, accidental, since the physical environment played a significant role in influencing culture and social organization.<sup>14</sup>

Europeans failed to see this upon arriving in North America. They assumed political sovereignty over Aboriginal nations and claimed title

to the land that was barren, uninhabited and not being put to proper “civilized” use.<sup>15</sup> European philosophers have developed arguments in support of these initial claims. For example, the seventeenth century writing of John Locke identified Aboriginal people in an initial stage of historical development that all societies follow so he concluded,<sup>16</sup>

A system of European commerce based on the motive to acquire more than one needs, satisfied by surplus production for profit on the market, is economically superior to the American Indian system of hunting and gathering, based on fixed needs and subsistence production, in three crucial respects: *it uses the land more productively, it produces a greater quantity of conveniences, and it produces far greater opportunities to work and labour by expanding the division of labour.*<sup>17</sup> (emphasis added).

This perspective illustrates some of the many distinctions between Aboriginal nations and European countries that were shaped by centuries of separation. Europeans and their relationship to land was most importantly for economic purposes. Taxation was integral to the survival of the powerful European monarchs of the time. Population pressures were another incentive to seek out new lands. The need for more resources, adventure, aggression and economic considerations were also driving motivators as were basic attitudes of superiority of civilization and religion.<sup>18</sup> In the Judeo-Christian view, the cosmos was dominated by a God in the image of man. This perspective put man in a privileged position since up to a certain point he can control nature for his own benefit.

In contrast, Aboriginal societies had a spiritual connection with the land that was borne out in their creation stories and traditions. Aboriginal belief systems focus on all of creation. All of life have spirits with human beings as only one small part.<sup>19</sup> “All our relations” calls on the spiritual connection to Mother Earth, the sky and all life. The connection with Mother Earth is the belief that all human beings have special responsibilities to cherish and protect Mother Earth. Humans were seen as part of a cosmological order depending on balance of reciprocating forces to keep the universe functioning in harmony.<sup>20</sup> Aboriginal wisdom of what amounts to sustainable development, was passed on orally from generation to generation.

Locke argues further that European production resulted in a greater quantity of conveniences. Admittedly technologies differed between continents and were a function of the challenges of the environment and different characteristics of civilization. In North America, the development of stone and bone tools indicated that human survival was viable only because of acute and careful observation of nature that is still a basic requirement today.

Dickason notes, the main activities for collecting food were through hunting, fishing and gathering. Gathering turned to agricultural domestication of plants slowly in a non-uniform way. It is hypothesized that dependence on collecting plants and fish may have influenced the development of agriculture. Fire was used to transform their habitat in some areas into an ambience suitable for deer in "deer parks," to control the movement of buffalo and to modify vegetation that would influence animals feeding patterns. Domesticated plants that contributed to world agriculture included: corn, potatoes, tomatoes, peanuts, pineapple, cacao and tobacco. For many historians, while farming developed in conjunction with hunting, they have tended to underplay and disregard Amerindian plant expertise and instead concentrate on pre-Columbian absence of farm animals and consequent dependence on hunting for meat.<sup>21</sup>

Botany was the major source of medicines (animals brought disease and plants provided the cures). More than 500 drugs in the medical pharmacopoeia today were originally used by Amerindians. Many of these skills and technologies were willingly shared after contact. For example, Basque whalers learned Inuit harpooning technology to increase their own effectiveness and Mi'kmaq expertise was used by Europeans in search of ivory, hides, and train oil.<sup>22</sup> Technologies developed in Aboriginal societies to meet the needs of the communities. Accumulation was frowned upon in contrast to developing European market economies.

The exception is on the West Coast where the skills to exploit a lush environment led to security, trade and leisure activities such as the potlatch ceremonies. Status, rights, claims, relationships were acknowledged and confirmed in these ceremonies that were hosted by a chief. The chief did not have authority but being a good and generous host brought respect and influence in village decisions. Accumulating goods for distribution at a potlatch might take

years.<sup>23</sup> Some scholars have said this ceremony also resulted in a redistribution of wealth. In Aboriginal societies where surpluses were possible, accumulation of conveniences were more broadly distributed than in European society.

Europeans identified Aboriginal people as "uncivilized" without realizing the tensions existing in their own society.

Not only did incredible opulence sit side by side with grinding poverty, but religious devotion also co-existed with greed and bloody warfare; humanist interest in scientific advance and new forms of artistic and architectural expression co-existed with religious and racial bigotry; and a willingness to accept female monarchs co-existed with the profound oppression of women in society at large. These contradictory tendencies existed as much within European states as between them.<sup>24</sup>

Aboriginal societies developed elaborate social and political structures around the nuclear and extended family. Families were grouped into bands, clans and communities that were part of nations.<sup>25</sup> The governance of nations was usually decentralized. Local representatives would come together or be sent to the councils of the nation.

Individuals were generally equal in councils of decision-making and discussions continued until consensus was reached. Leaders were allowed to speak on behalf of their people but not to act unilaterally or impose their will. Conflicts were resolved by finding a middle ground in a manner that respected different ways of achieving a particular goal.<sup>26</sup>

Diversity in social, economic and political organizations marked both Aboriginal and European nations prior to contact. The earliest contacts were made by fishers of French and English origin. Peaceful and cooperative relationships were struck between the Aboriginal peoples of the east coast and Europeans that shifted into a new system of relations based on treaties and trade.<sup>27</sup>

## B. Contact and Cooperation

The survival of the whiteman in the new territories required the cooperation and support of the Aboriginal peoples. The survival skills, medicines, maps and ways of the land were imparted by the Aboriginal people to the new inhabitants. This section describes the new system of relationships

in response to the settlers need for military alliances and the control of the fur trade.

### 1. *The Hudson Bay Charter 1670 and The Royal Proclamation 1763*

A number of important events need to be examined with a view to understanding the perspective of the Aboriginal and non-Aboriginal people. As we have noted, the context and interpretation of these events varies between Aboriginal and non-Aboriginal perspectives.

The Hudson Bay Charter (HBC) was established in 1670 when King Charles II of England granted all the lands drained by waters flowing into the Hudson Bay to a group of merchants and aristocrats. The HBC set up along the Hudson Bay and traded furs with the Indians and Metis. Settlements such as Norway House, York Factory and Cumberland House were established in response to the expanding fur trade.

The Royal Proclamation of 1763 followed Britain's victory over France in the Seven Years War and was in part, a declaration of interest in North American Territory. The proclamation provided guidelines for dealings with Aboriginal people. For example, the proclamation stated that land acquisitions must be secured through purchase and that all unceded lands would be reserved as Indian hunting grounds. In addition, only a crown agent could purchase unceded land, which established a monopolistic relationship. "This monopoly has since been interpreted by modern courts to have created a fiduciary responsibility of the crown to the Aboriginal people."<sup>28</sup>

The Crown was legally inserted into all future land transactions in North America. Indian interests in land were recognized and there was an acceptance that Indians held rights of possession somewhat similar to European property rights (titled property). Recognition was also given to the claims of Indian bands and tribes to sovereignty.

The existence of the Royal Proclamation of 1763, which recognized Aboriginal title to land, forced the crown and later the Canadian government, to take a special approach to securing land entitled to Aboriginal peoples.

### 2. *Economic Cooperation: 17<sup>th</sup> and 18<sup>th</sup> Century*<sup>29</sup>

The fur trade prospered for over 200 years and was only made viable by the cooperation, assistance and partnership with the "old inhabit-

ants," of the land. The economic fortunes of the day were in furs and benefitted the Metis, First Nations and non-native people.

For example, the complexity of economic activities and the seasonal activity of life at Norway House is captured in the circular diagram (see Figure 1). Norway House had administrative and transportation functions. It was the logical place to build York boats. Boat building and oar making required green wood, which was drafted downriver or hauled by oxen.

As the local economy became more diversified and complex, more buildings were needed. This in turn created a greater demand for labour, for maintenance, and for firewood. All of these activities created a greater demand for native labour.

Boat building was a major economic stimulus and summer freighting employed native labour. Diversified resource use supported a local economy that included transportation of trade goods and furs, the construction and repair of boats and buildings (which required skilled labour), and the procurement of a variety of country provisions.<sup>30</sup>

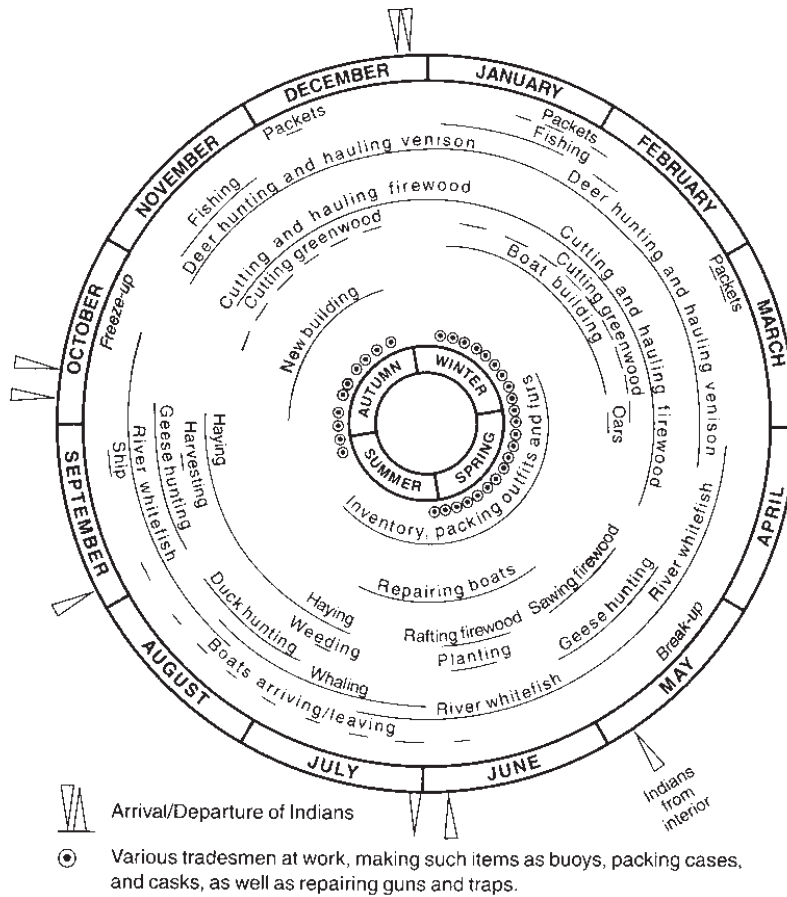
The labour force had to be fed and this was accomplished by planting several gardens, hunting a variety of game, importing some foods, and fishing throughout the year. Table 1 summarizes the imported food requirements. These food imports were developed by the fur trade companies as a way to reduce the need for a subsistence lifestyle. This in turn allowed Native people to spend more time on the commercial fur trade, which of course was in the best interests of the company.

The idea that subsistence and exchange create a single economy is the most appropriate characterization of the Native economy at the time treaties were made. Tension existed between commercial and subsistence activities. Subsistence production encouraged autonomy for Natives, while commercial production most obviously served the Hudson Bay Company's drive for mercantile profits. In the long run, the perspective that local native economies were part of a unified, single economy provides insights into the changing relationship between Native people and external agencies.<sup>32</sup>

## C. Displacement and Assimilation

This section discusses the changing relationship between the "old inhabitants" and the Hudson

FIGURE 1



**TABLE 1**  
York Factory Rations and Country Provisions: 1873<sup>31</sup>

Fish	40,898	Rabbits	424
Partridges	14,866	Gallons of Cranberries	110
Pounds of Venison	15,673	Whales for dog food	27
Geese	2,793	Plover	30
Ducks	899		

Bay Company, the settlers and the Dominion of Canada government.

*1. British North American Act of 1867 and Rupertsland Order of 1869*

Central Canada was cognizant of Britain's guidelines for dealings with "Aborigines." The framework for these guidelines is described in the Royal Proclamation of 1763 and reaffirmed

in the British North America Act of 1867. The British North America Act of 1867 allowed Upper and Lower Canada to expand their political influence in what was to become the Dominion of Canada.

Several legal documents need to be examined and considered to understand how the Canadian nation state, the Dominion, approached Aboriginal people at the time

of the transfer of Rupertsland to the Dominion of Canada. The documents that laid out the framework for transferring Rupertsland were scheduled with the Imperial Order-In-Council, which admitted Rupertsland and the Northwestern Territory into the Canadian federation (The Rupertsland Order). Such an analysis provides a means for understanding the subsequent change to law and political economy. The 1867 address to the Queen from Canadian Parliament stated:

In the event that your Majesty's Government agreeing to transfer to Canada the jurisdiction and control over the said region, the Government and Parliament of Canada will be ready to provide the legal rights of any corporation, company or individual within the same shall be respected, and placed under the protection of Courts of competent jurisdiction. And furthermore that upon the transference of the territory in question to the Canadian Government, the Claims of the Indian tribes to compensation for lands required for purposes of settlement will be considered and settled in conformity with the equitable principles which have uniformly governed the British Crown in its dealings with the Aborigines.<sup>33</sup>

This address acknowledged all the entities that existed as part of Rupertsland society and a commitment was made to protect each of them — corporate interests (Hudson Bay Company), individual titles (the Metis river lots at the Red River Settlement), and Aboriginal title.<sup>34</sup>

The terms of sale of Rupertsland from the Hudson Bay Company to the Dominion of Canada included 35 million dollars and 1/20th of all future surveyed townships in the prairie provinces. The sale of this land eventually netted profits of 96 million dollars for the company.

The Aboriginal interest in land was acknowledged in the Rupertsland Order. In the Deed of Surrender, which embodied the agreement between Canada and the Hudson Bay Company, there is a recognition of Aboriginal property interests.

The sale of Rupertsland by the Hudson Bay Company to the Dominion of Canada allowed the company to abdicate its traditional responsibilities towards Indian people (these responsibilities have their origins from the Charter 1670 and Royal Proclamation 1763). Canada's legal obligations to Aboriginal people were situated in the negotiations that were concerned with the type of financial capital and economy that would

dominate the region and the political system that would manage new economic relationships. In a request to the Queen — namely, the 1869 Address to the Queen — the Canadian Government re-affirmed the acknowledgment of Aboriginal interest.<sup>35</sup>

That upon transference of the territories it will be our duty to make adequate provision for the protection of the Indian tribes whose interests and well-being are involved in the transfer, and we authorize and empower the Governor in Council to arrange any details that may be necessary to carry out the terms and conditions of the above agreements.<sup>36</sup>

The Rupertsland Order is not some ancient document, but rather it provides a standard for understanding the economic history post 1870. It is at this juncture in history that two claims exist in Rupertsland. An Aboriginal claim based on possession, inherent rights and the Royal Proclamation of 1763; and a mercantile property claim based on the Hudson Bay Charter of 1670.<sup>37</sup>

The displacement and assimilation of Aboriginal peoples continues as colonial governments impose acts, regulations and legislation on the indigenous peoples. The level and amount of conflict continues to rise. Fundamental questions of whose land was it in the first place, what rights did HBC have to sell this land, and how are Aboriginal rights protected have for the most part been left unanswered.

## 2. *Treaty Making Process*<sup>38</sup>

There is a great deal of uncertainty about the treaties and what these treaties mean to Aboriginal people and non-Aboriginal people. The first treaties between Europeans and Indians were treaties of peace and friendship, signed between the 17th and 18th century, when North America was the site of military conflicts between Netherlands, Spain, England and France. To achieve military and economic objectives, European trading companies and governments sought support from Aboriginal allies. The primary purpose of the treaties was to gain the cooperation of the Indian peoples to consolidate control over the fur trade and to reinforce military supremacy in the fur trade.

The Royal Proclamation of 1763 influenced the subsequent treaty making process. The existence of the Royal Proclamation, which recog-

nized aboriginal title to land, forced the Crown and later the Canadian government to take a special approach to securing land entitled to Aboriginal peoples.

The special approach was the land surrender treaty. Eleven numbered treaties were signed in Canada, which were intended to formally alienate most of the land in Canada. From the perspective of the government, these treaties facilitated the legal surrender of the Indians land in return for annual cash annuity payments, reserve land, assistance for agriculture, schools and health services.

First Nations people viewed treaties as a way to share the land, given to them by the Creator, with the new settlers. Many leaders view the treaty making process with a sense of sacredness. Many leaders believe that the Creator guided the Indian negotiators. The treaty making process began and ended with Indian ceremony, consummating the spiritualness of the agreement between First Nations and the Crown.

First Nation oral tradition points to a discrepancy between verbal agreements and those contained in the written record. For example, in treaty 8, Indian signers felt that the government agreed to provide them with medical care and education for their children, but no such provisions existed in the written text. Words like *surrender*, *cede*, and *convey* have no Cree word but have a precise legal meaning in non-aboriginal legal systems.

Indian negotiators had to rely upon the honour and good intentions of the Crown to act in the best interest of Indian peoples. The negotiators clearly knew that they would have to rely on the force of the treaties to establish the Crown's responsibility to assist their efforts to adapt to the new world developing around them — a different economy, different education, and skill requirements and vastly different social norms and values.

Disease and famine were spreading. Seeing their way of life coming to an end with the encroachment of the European settlers, and seeing the decline of the fur trade and the diminishing size of the buffalo herds, the leaders who signed the treaties knew that adjusting to the new reality would be very difficult.

*First Nations view the treaties as a two way agreement — they are Canada's treaties as much as they are First Nations.* The First Nation interpretation of treaty rights includes the following: right to First

Nation Government; institutions; lands, waters and resources; education; social assistance; police protection; hunt, fish, trap; tax exemption; to meet in council and to cross international borders.<sup>39</sup>

### 3. *The Indian Act: 1867*

The original policy of the Indian Act was to assimilate Indians or, more specifically, to strip Indians of their traditional, social, economic and political systems. The first Indian Act was enacted in 1876 and it defined, in general terms, the Indian and federal Crown relationship. This relationship is structured by the Minister of Indian Affairs overseeing the implementation of individual treaty obligations, the registration of Indians and the protection of Indian land bases or reserves. It encompasses the provisions of numerous treaties, regulates the life of Indians from birth until death and directs community activities in all areas.

#### □ CHANGING TRADITIONAL WAYS

The Indian Act initiated the system of “bands” and “band councils” and as a result the band council was the only recognized legal organization.<sup>40</sup> The government desired all Indian bands to follow an electoral system of governance regardless of the traditions that had been developed by different First Nations across the country. This did not match with traditional systems of governance and was met with great resistance. However, the government's goal was uniformity and assimilation which could be better achieved by eliminating tribal systems.

According to the Act of 1876, there was to be one chief for every band of thirty members, or in the case of larger bands, in the proportion of one chief and two second chiefs for every 200 people. The chief's period of office was for three years, but he could be removed for “dishonesty, intemperance, or immorality” at the discretion of the department.<sup>41</sup>

The councils held “delegated” powers (from Indian Affairs), but could not be considered a government fully accountable to the band population. This action was an attempt to destroy the legitimacy of Indian governance and make the band council an administrative extension of the Department of Indian Affairs.

In 1884 the elaborate feasts of the Northwest Coast Amerindians, known under the general label “potlatch,” were banned, as well as dances associated with religious or supernatural



rituals. This was done under the pressure of missionaries and government agents. In 1895, the "sun dances" of prairie Indians were prohibited as well as all ceremonial endurance features that authorities did not consider acceptable.

In Manitoba, the North-West Territories and Keewatin District, Natives who signed treaty were forbidden from acquiring lands by homestead; this was to prevent them from claiming both a share of a reserve and a homestead. In British Columbia, Indians were similarly excluded from acquiring homesteads, but without the protection of treaty.

#### □ IMPEDIMENTS TO DEVELOPMENT

Numerous practical problems have arisen from the antiquated nature of the Indian Act. The main difficulties relate to the Minister controlling the exercise of all powers, the control of lands, the Department's guardianship role over trust funds, the lack of legislative powers of bands in the fields of social and economic development and, finally, the legal status of band councils.<sup>42</sup>

Reserve lands are legally "Indian property" but fall under various, rather obscure categories: "a tract of land, the legal title to which is vested in Her Majesty, that has been set apart by Her Majesty for the use and benefit of a band." The Indian Act provides for cases which prohibit seizures of an Indian's personal property on a reserve. These stipulations have historically limited normal commercial transactions, such as pledges and other forms of loan or credit based on guarantees.

Indians could not vote until 1960. An Indian had to acquire a "pass or permit" from the Northwestern Mounted Policy in order to leave the reserve or face persecution (fine, jail or both). Indians could not hire a lawyer, own property or pledge collateral on reserve eliminating the possibility of securing loans for development. Early successful farmers had to succumb to the department's directive that all grains must be sold through the Indian agent.

#### □ TAXATION<sup>43</sup>

"If you believe what you hear on the street, Indians in Canada don't pay tax. This is one of the myths and misunderstandings that surrounds the issue of taxation and Indians in Canada."<sup>44</sup> Although Indians, Metis and Inuit are all Aboriginal peoples, the tax advantages stemming from the Indian Act only accrue to Indians.

Metis and Inuit receive no such special treatment under the Indian Act, although in some cases, tax exemptions may be negotiated through talks regarding self-government and comprehensive land claims.

Article 87 of the Indian Act provides the basis for the tax exemption granted treaty Indians. However, article 87 must be considered along with article 90, which defines the notion of "Indian property," and article 83, which assigns a specific field of taxation power to band councils. The combined effect of these two articles limits the tax exemption to property situated "on a reserve" (article 90), representing the interest of an Indian or band on a reserve.

In interpreting the fiscal arrangements granted to members of First Nations through the Indian Act, Revenue Canada generally grants a total exemption on income tax which Indians earn on a reserve. First Nations working off reserve for a non-native entrepreneur, for example, will be subject to income tax like any other citizen. However, if they exercise their profession off reserve for a business or company with a head office on the reserve, they may be exempted from income tax.

An incorporated business cannot be considered "Indian," even if all the shareholders are registered Indians. It constitutes a corporation and must pay income tax. However, Indian shareholders and employees of this enterprise will be exempted from income tax on any dividend or salary received from the enterprise. With respect to band councils, according to Revenue Canada's interpretation, they are exempt from income tax, since they exercise powers similar to those of Canadian municipalities. Only Indians and Indian bands are exempt from tax. Corporations, trusts, and other organizations are not exempt by virtue of the Indian Act because they are not Indians or Indian bands.

#### □ FUTURE

The Indian Act of 1876 revamped pre-confederation legislation of the Canadas into a nation-wide framework that is still fundamentally in place today. First Nations leaders and government are seeking changes to the Act that will eliminate or reduce many of the historical barriers to development.

#### 4. *Métis Scrip*<sup>45</sup>

Historically, the Metis played two significant roles: their economic role in the establishment,

growth and development of the fur trade and secondly, their role in the decolonization of the British North American territories (Rupert'sland).

Sir John A. MacDonald's government of the day had no plans for the Metis to continue their influence in Rupert'sland. MacDonald's agriculture policy for the West was being implemented to deliver the necessary raw inputs to the manufacturing heartland of Ontario and Quebec. The agriculture policy of MacDonald was intended to make the west the producer of raw materials, entirely dependent on eastern manufacturing, which left the west extremely vulnerable economically because of its lack of diversification.

The Metis are regarded by historians as leading the way for responsible government in the west, and they believe responsible government came to the west as quickly as it did as a direct result of the two uprisings in 1869 and 1885. These rebellions were against the western annexation policies of the Canadian Government. However, responsible government, elected locally, was not the goal of Sir John A. Macdonald.

The Metis List of Rights, sent to Ottawa in 1869 began with: "That the North West Territory enter confederation as a province with all the privileges common to the different Provinces of the Dominion." Federal response was military force and was quashed by the Metis of the Northwest. The uprising did lead to the passing of the Manitoba Act (1870) and establishment of responsible government for that province.

Peace and order endured for the next 10 to 12 years. Promises were made by the Federal Government for aid, development, land settlement, treaty obligations, etc. ... but the majority of these promises were never fulfilled. Lack of opportunity, disease, famine and increased settler pressures forced many Metis to disperse from

Red River to their new homelands in what is now today Saskatchewan and Alberta.

The 1885 rebellion in Saskatchewan was virtually a repeat performance of 1870. The demand of the Metis and Prince Albert settlers were the same. A number of grievances were filed by the Metis all of which are well documented. For example, the Dominion Survey Act was enacted without consultation with the Metis or First Nations. Metis and other settlers were accused of being land squatters and forced to leave lands they developed. Eastern settlers took up new homes under the auspices of the Homestead Act that allowed new settlers to take up residence and land.

The government's scrip system was devised as a way of extinguishing Metis land rights. It must also be pointed out that a number of First Nations opted for scrip but had to forgo their treaty rights. There were two types of scrip: land scrip and money scrip. The scrip was quickly purchased by speculators, lawyers and chartered banks. The amount of Metis Lands that were purchased from them for far less than face value is staggering—numbering in the millions of acres.

According to scrip registers, the majority of land was purchased by banks and financial institutions. Between 1885 and 1898, land was purchased at 30 cents on the dollar on average for both money and land scrip. Less than 10% of all scrip issued was retained by the Metis for whom it was written.

As settlement slowly crushed the fur trade, the Metis were displaced. There is well documented archival evidence that establishes how British and Canadian wealth was generated through the scrip system. Table 2 illustrates in

**TABLE 2**  
Distribution and Delivery of 26,000 Northwestern Metis Scrip Notes<sup>47</sup>

	%	<i>Scrip Notes</i>
Metis	11	2800
Dominion Land Agents	8	2100
Small Speculators	12	3100
Private Institutions & Large Speculators	17	4500
Chartered Banks	52	13500
<b>TOTALS</b>	<b>100</b>	<b>26000</b>

one analysis of land scrip registrar that less than 10% ended up in the hands of Metis.<sup>46</sup>

Most of the 1.4 million acres, set aside by the Manitoba Act for the Metis, slid into the hands of chartered banks via the scrip transactions. Scrip fraud and scrip inconsistencies had increased tremendously. Metis lawyers began taking these actions to court and were winning successful judgements. As a result, in 1898, Manitoba had legislation changed to make it illegal to bring scrip cases before the courts, basically eliminating any chance for Metis to correct the injustices that were occurring.

With the displacement of the Metis, the decline of the fur trade, overtaken by settlement of immigrants, and victims of a land fraud schemes that most could not fight, the economic and social conditions of the Metis declined drastically.

With the Indians, the Metis came to share many of the characteristics of a minority group. They experienced discrimination in the labour market, the general economy and in social life generally.

## D. Negotiation and Renewal

### 1. *Where We Find Ourselves Today*

Government policies of domination and assimilation deeply affected the well-being of Aboriginal people and their communities. The signs of devastation were registered across Canada in terms of poverty, illness and social dysfunction.<sup>48</sup> Survival as individuals and as nations was a life and death fight, with the battle against assimilation, an added trial.

Significant government policy, legislation and court decisions are driving relations during this period. Twenty eight years ago, the White Paper on Indian Policy of 1969 ignited a fire of resistance among many Aboriginal people across the country. The Government of Canada proposed abolishing the Indian Act within a five year period, dissolving reserves and assimilating Indians into Canadian society.

First Nations were nearly unanimous in their rejection. They saw this imposed form of "equality" as a coffin for their collective identities—the end of their existence as distinct peoples. Together with Indian and Métis, they began to see their struggle as part of a worldwide human rights movement of Indigenous peoples. They began to piece together—nations

within Canada—and to speak out about it.<sup>49</sup>

A growing consciousness among Aboriginal people and their leaders meant a fundamental awakening for a change in relationship with the rest of Canada. Reaction to the White Paper was swift and strategies were put forward by Aboriginal political organizations that encouraged an holistic approach to increasing self-sufficiency under the direction of Aboriginal people so that individual and community interests would be honored.

International organizations were begun with active participation by Canada's Aboriginal people. The objective of the World Council of Indigenous Peoples was, "... Battle against all the forces of assimilation and try to build your nations economically, culturally and politically. Consult the people, politicize the people and never get too far ahead of them, because when all is said and done, they are your masters."<sup>50</sup> These words urge an active role for Aboriginal people that has marked this move towards self-determination.

In terms of economic development, reports aimed at influencing government policy have reaffirmed recommendations that urge a policy of self-direction within Aboriginal communities that build on an inherent right to self-government.<sup>51</sup> This inherent right was recognized by the federal government in 1995.

In a short period of 27 years, from the White Paper in 1969 to the Royal Commission in 1996, we have moved from an official government policy of termination and assimilation to a reluctant acceptance of the inherent right of self-government. This is a remarkable achievement in such a short period of time. When we look around at our communities, these achievements are masked still by the poverty and its effects that we see in most places and we often forget what we have achieved and how we have achieved it.<sup>52</sup>

Progress has been made but challenges continue for all Canadians. Aboriginal individuals, their communities and nations have successfully established businesses, joint ventures and partnerships; found innovative financing; provided income support and delivered education and training. (RCAP vol. 2, part 2:776). Major comprehensive and specific land claims have been settled including claims in Quebec, Northwest Territories, Yukon, BC and Saskatchewan. These

agreements provide access to new human, financial and natural resources for economic development that was missing for hundreds of years. Services are now available for training, education, business start-up, Aboriginal women's businesses, and accessing capital. These organizations are Aboriginal and non-Aboriginal profit, non-profit and public.

In many parts of the country, there is a realistic appreciation of the enormous challenges still ahead but also a spirit of determination to regain stewardship of Aboriginal economies and to develop them in accordance with the priorities of particular communities and nations (RCAP vol. 2, Part 2:776).

This is just the beginning. Continuing challenges include inadequate funding for existing services in education, training, access to capital, development of management skills, inappropriate interference and undefined authorities of Aboriginal governments, inappropriate interference by business in governmental affairs, overt and insidious racism, not enough big businesses, too little aftercare for new businesses etc. (Newhouse, 1997).

Another challenge facing many Aboriginal people is to integrate traditional teachings with western business and is described by Mark Wedge:

One of the questions we had regarding the mandate of the organization I work with (Yukon Indian Development Corporation) is: How do we integrate these traditional values into the contemporary way of doing things, contemporary business components? I think that is the challenge that we have been trying to work with: How do we gain this knowledge and wisdom from the Elders, from the people, and try to incorporate it in a manner that is understandable to European cultures or to the western cultures? ... we have always looked at renewable resources or animals and plants as our livelihood, and the question is: How do we share that livelihood? Often times it is done through Elders saying which one should get which part of the meat.... Coming from the European system, what they did is they shared their harvest initially ... and then it moves into a tax. As we move into a money society it moves into a tax structure.... *I think it is up to the individual communities and peoples to start defining how they are going to share.*<sup>53</sup> (Emphasis added)

Many Aboriginal people want to blend their culture with western approaches, not lose it. Cultural concerns are but one aspect of the critical interrelationships between economic development and health, education, self-worth, functioning communities and stable environments for individuals and within the collectivity of aboriginal communities. RCAP notes:

Ultimately measures to support economic development must reach and benefit individuals, but some of the most important steps to be taken involve the collectivity — for example, regaining Aboriginal control over decisions that affect their economies, regaining greater ownership and control over the traditional land and resource base, building institutions to support economic development, and having non-Aboriginal society honour and respect the spirit and intent of the treaties, including their economic provisions.<sup>54</sup>

Recognizing these hurdles, Aboriginal approaches to economic development emphasize:<sup>55</sup>

- Development is a broad concept that incorporates governance, culture and spirituality but reflects unique community requirements.
- Integrated approaches are preferred as opposed to segmented, independent programs.
- Self-government and sustained economic development are integrally linked to each other.
- Individual needs to relate to mainstream society are uniquely balanced with development of community and nation.
- Traditional economies make an important and continuing contribution to some modern Aboriginal economies.

The final section summarizes the history of Aboriginal peoples focussing on current economic development issues and practices.

### III. CHOICE OF PATHS

#### A. Status Quo

Upon reflection, Canadians face two paths. They may choose the status quo in their relationship with Aboriginal people or they may choose to renew the partnership that began at the time of contact. Status quo has serious financial and human consequences as articulated in the Final Report of the Royal Commission. Partnership will mean significant financial consequences but

Aboriginal people and the rest of Canada will have a future of mutual support and equality not enjoyed in centuries.

The current status quo for Aboriginal people is characterized by large economic, education and social gaps. Lower income levels, extreme rates of unemployment, proportionately higher percentage of social problems and under-educated people must be overcome. This gap will continue to grow unless steps are taken to slow down and reverse the increasing discrepancy between Aboriginal and non-Aboriginal people.

The growth of Aboriginal education, economic development and business initiatives are essential strategies to changing the status quo. It is promising to see a number of Aboriginal initiatives that are leading to positive changes.

One of the single most important areas is in the field of education. In Saskatchewan, 60.4% of Aboriginal students do not complete high school compared to 44.5% of non-Aboriginal students. Another 41.7% of Aboriginal students received some type of post-secondary training compared to 55.3% of non-aboriginal people.<sup>56</sup>

Educational requirements of employment in Saskatchewan is similar to that of the whole of Canada. Employment of people with less than a high school education decreased by a large amount, -3.4% per year. But employment of people with some education after high school increased by 3.1% per year. Employment prospects for people with a high school diploma decreased moderately.<sup>57</sup>

The future jobs in Canada require education and training. In order to close the employment, income, economic and social gaps, we need to close the aboriginal education gap.

## B. Partnership for Change

In considering the significance of economic development strategies, Georges Erasmus, Co-Chair of the Royal Commission on Aboriginal Peoples, notes:

Our people have been relegated to the lowest rung on the ladder of Canadian society; suffer the worst conditions of life, the lowest incomes, the poorest education, and health; and can envision only the most depressing futures for our children.<sup>58</sup>

Many challenges and barriers face Aboriginal people. They cannot be alone in this initia-

tive if they are to make fundamental changes to their reality and significant contributions to Canada's economy. Canadians are asked to join in partnership to change the status quo that is no longer acceptable.

Government and corporate partners are increasingly acknowledging their role. In Manitoba, Premier Filmon indicated in the most recent throne speech that a priority for the coming term is working in partnership with First Nations representatives and with the private sector on meeting the educational challenges facing aboriginal people who want to take advantage of and realize these opportunities. Business leaders recognize that all Manitobans will benefit from Aboriginal youth who are able to fully participate in the economy. With one in four people entering the Manitoba labor force in the year 2000 forecasted to be of aboriginal heritage, Aboriginal people with management skills will take an active role of benefit to their communities and to all Canadians. Kerry Hawkins, President of Cargill Ltd. states:

If we fail to bring you, educated native youths into the economic mainstream, the consequences for Manitoba are frightening. As a society our ability to maintain a high standard of living will depend critically on the productivity of new entrants into our labour force.<sup>59</sup>

## NOTES

1. Report on the Royal Commission on Aboriginal Peoples. *Looking Forward, Looking Back*. Ottawa: Canada Communication Group, Vol. 1 (1996): 32
2. Ibid: 32.
3. Elmer Ghostkeeper (Métis philosopher and scholar; MA). Personal Communication with W. Wuttunee, Devon, Alberta (March 2, 1997).
4. RCAP vol. 1: 33.
5. Julie Cruickshank. "Oral Tradition and Oral History: Reviewing Some Issues," *The Canadian Historical Review* LXXV/3(1994): 403-418 in Report on the Royal Commission on Aboriginal Peoples. *Looking Forward, Looking Back*. Ottawa: Canada Communication Group, Vol. 1 (1996): 33.
6. Ibid: 34.
7. Ibid.
8. Ibid: 35.
9. Ibid.
10. Ibid: 35.
11. Ibid: 37-39.
12. The White Paper was introduced in 1969 by the Government of Canada as a new statement of Indian policy. It proposed a new relationship with Indians.

13. Ibid: 86.
14. Ibid.
15. Ibid: 44.
16. This passage is from a summary by James Tully, professor of philosophy, McGill University Ibid.
17. Ibid: 45.
18. Ibid: 88–89.
19. Ibid: 86–87.
20. James Miller. *Skyscrapers Hide the Heavens: A History of Indian-White Relations in Canada* (Revised Edition). Toronto: University of Toronto Press, 1991.
21. Ibid: 33.
22. Ibid: 54.
23. RCAP vol. 1: 74–75.
24. RCAP vol. 1: 88.
25. Ibid: 87.
26. Ibid: 87.
27. Ibid: 90.
28. Presentation by Mary Ellen Turpel-Lafond, SaskEnergy Aboriginal Education Series, 1996.
29. Portions of this report and specific sections are taken from Chapter One, “*As Their Natural Resources Fail*,” by Frank Tough (Vancouver: UBC Press, 1996).
30. Frank Tough. “*As Their Natural Resources Fail*.” *Vancouver*: UBC Press, 1996, pp. 21–25.
31. Ibid: 29.
32. Ibid: 42.
33. Order of Her Majesty in Council Admitting Rupert’s Land the North-Western Territory into the Union (Court of Windsor, 23 June 1870), Address to Queen, 16 and 17 December 1867, Schedule A. Reproduced in E.H. Oliver, *The Canadian North-West*, Vol. 2 (Ottawa: Government Printing Bureau 1915), 946. (*Hereafter referred to as Rupertsland Order*).
34. Doug Sprague, Metis Land Rights Research Group meeting, Vancouver, May 1993.
35. Frank Tough. “*As Their Natural Resources Fail*.” *Vancouver*: UBC Press, 1996, p. 10.
36. Rupertsland Order, Address to the Queen, 29 and 31 May 1969, Schedule B. pg. 954.
37. Frank Tough. “*As Their Natural Resources Fail*.” *Vancouver*: UBC Press, 1996, p. 12.
38. Taken from the SaskEnergy Aboriginal Education Series.
39. Taken from a presentation to the Chamber of Commerce by Chief Blaine Favel, Federation of Saskatchewan Indian Nations, 1996
40. Changes in the Indian Act Legislation eventually allowed for some custom elections to take place.
41. Olive Patricia Dickason. *Canada’s First Nations: A History of Founding Peoples From Earlier Times*. Toronto: McClelland and Stewart, 1992, p. 285.
42. Harold Bherer, Sylvie Gagnon, and Jancinte Roberge. *WAMPUM and Letters Patent: Exploratory Study of Entrepreneurship*. The Institute for Research on Public Policy, 1990, p. 10.
43. Ibid.: 14–15.
44. First Nations and Canadian Taxation. KPMG. Second Edition, 1997, p. 1.
45. The following is taken from the SaskEnergy Aboriginal Education Series, 1994.
46. In Norway House, it is estimated that less than 1% of Metis lands ended up in Metis control and title.
47. Gabriel Dumont Institute Research Department. L. Dorion and F. Tough. 1995.
48. Ibid: 17.
49. Report on the Royal Commission on Aboriginal Peoples. *People to People, Nation to Nation: Highlights from the Report of the Royal Commission on Aboriginal Peoples*. Ottawa: Canada Communication Group. RCAP Highlights (1996): 17.
50. Peter McFarlane, *Brotherhood to Nationhood: George Manuel and the Making of the Modern Indian Movement* (Toronto: Between The Lines, 1993): 1 in RCMP vol. 1: 205.
51. See Beaver Report, 1977; Penner Report on Indian Self-Government, 1982; and Royal Commission on Aboriginal Peoples, 1996.
52. David Newhouse. *Charting the Way Forward: A Review of Economic Development Progress since 1969*. Presentation at the Council for the Advancement of Native Development Officers’ National Conference, Montreal, Quebec, September 25, 1997.
53. Report on the Royal Commission on Aboriginal Peoples. *Restructuring the Relationship*. Ottawa: Canada Communication Group, Vol. 2, part 2. (1996): 667.
54. Ibid: 777.
55. Ibid: 797.
56. 1991 Aboriginal Peoples Survey.
57. Kelly Lendsay, Marv Painter, Eric Howe, *Saskatchewan and Aboriginal Peoples in the 21st Century: Social, Economic and Political Challenges*. Chapter 3.0, Impact of the Changing Aboriginal Population on the Saskatchewan Economy. Printwest, 1997, p. 87.
58. Georges Erasmus, “Twenty Years of Disappointed Hopes,” in *Drum Beat: Anger and Renewal in Indian Country*, B. Richardson (ed). Toronto: Summerhill Press, 1989, p. 1.
59. “Our Future In Native Hands,” *Winnipeg Free Press* (November 10, 1996).

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