

UNIVERSITY OF MANITOBA

MONEY, MARKETS AND ECONOMIC DEVELOPMENT IN SASKATCHEWAN  
INDIAN RESERVE COMMUNITIES, 1870-1930s

A DISSERTATION SUBMITTED TO  
THE FACULTY OF GRADUATE STUDIES AND RESEARCH  
IN CANDIDACY FOR THE DEGREE OF DOCTOR OF PHILOSOPHY

DEPARTMENT OF ECONOMICS

BY

CARL BEAL

WINNIPEG, MANITOBA

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MONEY, MARKETS AND ECONOMIC DEVELOPMENT IN  
SASKATCHEWAN INDIAN RESERVE COMMUNITIES, 1870 to 1930s

by

CARL BEAL

A Thesis submitted to the Faculty of Graduate Studies of the University of Manitoba in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

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## ABSTRACT

It is widely-held that Indian reserves were peripheral to Canada's economy from the time of their establishment, and that reserve economic conditions in Saskatchewan from the 1870s to the 1930s remained unchanged or worsened over the entire period. However, statistical, archival and other sources, showed that Indians were pivotal to the development of markets and the monetization of Saskatchewan's economy. The first two decades of the twentieth century saw reserve economic growth and growing participation in the money economy, followed by a decade of stability. Indian reserves achieved modest economic successes in spite of government policies. Barriers to production for and participation in markets were circumvented. Population, income and property data by agency revealed regional variations in the size, composition and temporal pattern of earnings. These arose from the differing resource bases, production orientations and market conditions. Greater economic success was associated with better access to markets; economic conditions worsened when the links between reserves and markets were broken. During the depression decade, the reserve economy was virtually dismantled; the link between reserve economic activity and the money economy was broken.

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## INTRODUCTION

This is a study of Indian reserve economic development in south and central Saskatchewan from 1870 to the 1930s.

The economic historiography of aboriginal peoples of Canada has been dominated by examination of the fur trade, particularly the fur trade prior to 1870. That work initially focused on the economic interaction between Indians and European fur traders. The seminal work was Innis' *The Fur Trade of Canada* (1956) [1930]. E.E. Rich (1960) introduced an institutional approach in his paper on "Trade Habits and Economic Motivation Among the Indians of North America". That approach was adopted by Rotstein (1967) in "Fur Trade and Empire".

A new approach was pioneered by Charles Bishop (1974, 1984) and Arthur Ray (1974, 1978), who focused on social and economic adaptations of Indians to the fur trade. This approach showed a more complex appreciation of the economic relationships in the fur trade, and of Indian economic strategies. Ray examined the new institutional arrangements for exchange which were created to mediate between European money economies and North American barter trade economies. A controversy developed over when and to what extent Indians became dependent upon the trade as opposed to engaging in a

fur-trade partnership for mutual benefit (Francis and Morantz, 1983; Thistle, 1986; Tough, 1988).

For the period since 1870, historical treatments have focused on Canadian government Indian legislation and policy, and Indian responses. There have been studies of the administration of relief and settlement policies by the Department of Indian Affairs in the early 1880s (Dyck, 1970; Tobias, 1977, and 1983), administration of government agricultural development initiatives (Dyck, 1986; Carter, 1990), and assessment of Indian policy through biographies of Indian Affairs officials (Hall, 1983; Leighton, 1983; Titley, 1983 and 1986).

Little attention has been paid, until recently, to Indian reserve economic development in the period after the Treaties. An exception is Elias' comparative study of Dakota Sioux communities in Saskatchewan and Manitoba (Elias, 1988). Although considerable research was done in the late 1960s and early 1970s in connection with land claims, little of that research has been published. Raby (1973) provides a window on that research effort in "Indian Land Surrenders in Southern Saskatchewan." Carter (1990) produced a well-documented history of government policy and Indian agricultural efforts in the Treaty 4 area of south-east Saskatchewan and south-west Manitoba from the time of Treaty to 1896, with a cursory treatment of the period from 1897 to



World War I. Both Carter (1990) and Dyck (1986) bring their stories to a close before any notable success is seen in prairie Indian agriculture. Carter (1990) proclaims the "failure of agriculture on western Canadian reserves" by 1896, and that land surrenders in the twentieth century "precluded the hope that agriculture could form the basis of a stable economy on reserves" (p. ix). Dyck notes that government policy frustrated Indians' initial agricultural efforts - prior to 1885; but he did not comment on the success or failure of later efforts. Buckley's recent work extended the time horizon to 1965. She also concluded that efforts to establish farming on reserves was a failure (Buckley, 1992; p. 58). However, there is an eerie hiatus in Buckley's story. Nothing is said of the period between 1896 and 1945. This is the more puzzling when one considers that in a previous essay she had argued that despite obstacles of government policy, "the Indian had achieved a certain competence by the twenties...We forget that there was a time when agriculture, supplemented by a little hunting, hauling wood and casual labour was the basis of a viable economy, with no need for welfare" (Buckley, 1971, p.3).

Dyck, Carter and Buckley located the failure of Indian agriculture in government policy and its ideological underpinnings. Government policy is described, rightly, as paternalistic, authoritarian, misguided and contrary to the

expressed objective of agricultural self-sufficiency. The ideological underpinnings are found, rightly, in the scientific racism and cultural determinism of the late Victorian period.

In making the case for the role of this policy and outlook in the failure of Indian agriculture, two opposing explanatory paradigms are posited. One is the "standard explanation" for the failure of Indian agriculture, which Carter characterizes as "Indians could not be convinced of the value or necessity of the enterprise" (1990, p. ix). Both Carter and Dyck cite Stanley's (1960) views as representative of the prevailing opinion on the reasons that agricultural policy objectives were unfulfilled: because of the "restlessness ...inherent in the Indian disposition" and Indians' "dislike of uncongenial work" (cited in Dyck, 1986, p.127).

The other paradigm is posed in opposition to the first; the positions of Dyck and Carter are explicitly aligned against cultural determinism. In this view, government policy and the dominant ideology are seen as central to the failure of Indian agriculture. Indian actions are presented mainly in terms of reaction to, protest against, and, ultimately, failure in the face of, government policy.

Positing matters in this way suffers from the weakness of neglecting the economic strategies adopted by Indian

reserve communities to cope with the policies with which they were confronted. Moreover, in order to prove the failure of government policy, there is an inclination to assert strongly the extent of the failure of Indian economic efforts. As a result, the course of economic development in reserve economies is neglected.

Carter (1990) presents evidence that it was the government, not Indians, who were reluctant about Indian agriculture. The role for Indians in Carter's story consists in demanding that the government fulfill its treaty promises. She chronicles Indian protests against the failure of the government to live up to agreements. However, she does not examine Indian economic activities and strategies.

Focusing on Indian failure (or if one prefers, government failure) makes weak history. Indian history in the period 1870-1896 is seen as the history of government policy. This is on the same plane as the explanations which present Indian history as an aspect of fur trade history, or as an aspect of the business history of the Hudson's Bay Company.

This study goes beyond Indian economy history as a study in government policy failure. It takes into account the relationship between the growing monetized markets in western Canada, the reserve economy, and government policy. Agriculture in western Canada has never been a self-

sufficient entity, but has always developed in connection with the market. That was no less true of prairie Indian agriculture. Among other things, government policy regulated, circumscribed, and directed Indian relationships with commodity and factor markets. The point of view taken in this study is that Indian reserve economic activities developed under the influence of and in connection with access to markets.

The role of government as a barrier to and filter for Indian access to markets brings to mind market segmentation and dualism. A dual approach is also suggested by several studies which characterize the post-fur trade relationship between Indian communities and the Canadian capitalist economy (Leacock, 1954, 1982; Tanner, 1979; Asch, 1979b; Dunning, 1959).

Dualism as an theoretical approach has been driven from the explanatory field by its dependency theory critics. The criticism is repeated when it is irrelevant (Carter, 1990, p.8-9) and at times in a ritual way, followed by a narrative which is nonetheless posed in dualist terms (Ross and Usher, 1986). The dependency critique of dualism was first advanced by Frank (1967,1975). A shortcoming of his critique was that he criticised modernization theory, but called it dualism. An unfortunate side-effect of this triumph of dependency theory, especially those variants in the staple-theory vein,

is the view that Indian economic history should be viewed as a footnote in the post-1870s period.

In chapter one, approaches to the study of native economic history in Canada are surveyed. Dependency, dual and mode of production approaches in fur trade history are examined. It is proposed that Indian reserve economic history from 1870 to the 1930s would benefit from the utilization of more sophisticated theoretical frameworks, such as the articulation of mode of production approaches which have been applied to the fur trade era.

The second chapter advances specific hypotheses and proposes the methods and sources for investigating them. Considerable use is made of the statistical appendices of the Annual Reports of the Department of Indian Affairs, the Annual Reports of the Auditor General and other statistical sources. That data gives a detailed picture of incomes and assets of Indians at a sub-provincial, Indian agency level. The data has not been used in many studies. When it has been used, it has been used in passing. The statistical appendices to the Department of Indian Affairs reports have been referred to in sketches of economic histories which are parts of larger studies in Nova Scotia (Wien, 1987), Manitoba (Lithman, 1983 and 1984; Tough 1987), and British Columbia (Burrows, 1986). The statistical appendices were used by Ray (1990) in a study of the twentieth century fur

trade. The accuracy of the data may be questioned, however Department of Indian Affairs annual reports, correspondence and other documentary materials may be used to verify the trends and patterns which are observed from the data.

Chapters three through seven present the research results. Chapter three covers the period 1870-1885, from the treaties to settlement on reserves in southern and central Saskatchewan. Chapter four covers the next decade, to the beginning of the Laurier administration in 1896. This was a period in which the Department was increasingly hostile to expenditures for capitalization of Indian agriculture and Indian agricultural production for market. Chapters five through seven examine the period from 1896 to the 1930s. Chapter five examines land surrenders. Chapter six examines the capitalist economic environment and government policy from 1896 to the 1930s. Chapter seven examines the contours of Indian economic development from 1896 to the 1930s.

## CHAPTER 1

### APPROACHES TO INDIAN ECONOMIC HISTORY

1.1 Approaches to Indian Economic History. During the past sixty years, Canadian Indian economic history has been, in the main, coincidental with Canadian fur trade history. Fur trade history has a rich intellectual legacy, fertilized by ideas from many disciplines, especially economics, history and anthropology. Controversy and conflicting interpretations abound. However, little of this controversy and conflict has spilled over into Indian economic history in the period after 1870. Indeed, for political economy schools such as those of the staples and dependency approaches, there is no Indian history to speak of after 1870.

Treatments of post-Confederation Indian economic history were first provided by anthropologists, working in areas remote from industrial capitalist influence. Recently, fur trade history has been extended into this period, notably in the work of Tough (1987) and Ray (1990). Prairie Indian agricultural experience has been the subject of several recent studies (Carter, 1990; Buckley, 1992). But these recent treatments have failed to mine the theoretical and methodological accomplishments of fur trade history for

application to more recent times. As a result, prairie Indian economic history, insofar as it can be reconstructed from these recent works, appears as the history of government policy, from which Indian adaptive strategies and capitalist markets are substantially absent.

1.2 The Staple Approach and Marginalization. Innis pioneered Canadian fur trade historiography in his seminal work *The Fur Trade in Canada* (1956 [1930]). Innis examined the fur trade as the interaction of two civilizations: "The history of the fur trade," he wrote, "is the history of contact between two civilizations, the European and the North American..." (1956, p. 388) Innis recognized the significance of Indian technology and culture for the successful prosecution of the fur trade. Given the expanse and the character of Canadian geography, reliance upon, rather than the wholesale uprooting of, Indian socio-economic organization proved essential to the profitable prosecution of the trade especially in its first centuries. But as Innis saw, and also in ways he did not see, the fur trade brought about dramatic changes in Indian economic organization. Innis focused on the technology and other articles of European manufacture which "enabled the Indians to gain a livelihood more easily" (p.388). But these tools, their use and their continued acquisition through the trade also brought about dramatic changes in Indian economic



organization. Resource depletion, adaptations to more or less specialized roles in the fur trade as hunters, trappers, middlemen and large-scale provisioners of an expanding inland network of posts led to "a rapid shift in the prevailing Indian culture" (Innis, 1956 p. 388), shifts of a magnitude and type which brought about a serious "depreciation of the social heritage." (Innis, 1956, p. 383) and ultimate subordination of Native people to the Euro-Canadian system.

Spry (1980) characterizes this Innisian model of interaction in center-periphery terms.

Loss of independence by the local population is the counterpart of domination by a metropolis whose expansive energy and enterprise gave rise in the first place to the encounter of cultures. (p.293)

In a footnote she makes a telling rejoinder to those who have emphasized the reciprocal dependence of the European on the Indian in the trade, citing Afriat to the effect that "Those who take advantage of the market adapt to it, and finally become its creatures, under its sovereignty and incapable of separation." (cited in Spry, 1980, p. 306)

In the final analysis, for Innis, the history of the fur trade is not the history of the Indian, but of the marginalization of the Indian in history. Innis (1956) concluded his study suggesting that "The history of the fur trade in North America has been shown as a retreat in the

face of settlement" (p.386). Innis argued that the fur trade - and with it the Indian - was banished to the margins of economic life as the economy became increasingly dependent on new staples, such as lumber and wheat. For Innis, fur trade history was an aspect of the economic history of Europe and its North American expansion.

Watkins (1977a), an important contributor to staple theory, argued that the "essential point" for understanding how native people fit into the staple interpretation of economic history is found in Innis' remarks that "Fundamentally the civilization of North America is the civilization of Europe..." and "Canada has remained fundamentally a product of Europe." Watkins states:

The Indian way-of-life, indeed the Indian himself, was swept aside. Only in the era of the fur-trade was the Indian functional to the Euro-Canadian, and everywhere in the long-run the fur trade retreated in the face of settlement and was ultimately obliterated by it. The Indian was made irrelevant...The aboriginal populations were being separated from the means of production, have been reduced to the status of an underclass or lumpenproletariat. (p. 90)

By such a view, there is no point in relating the economic history - or, indeed, any history - of Native peoples after this moment of devastation, since as a population it has become irrelevant to history. To support his views, Watkins cites Elias' views with approval: a "totally pauperized class", a "permanent state supported class" "at the absolute fringe of industrial capitalist

society" (Watkins, 1977a, note 45; Elias, 1975). Watkins also cites Asch (1976) as a corrective to views which deny that "non-renewable resource exploitation sets up mechanisms which create underdevelopment for native people." (Watkins, 1977a, p. 87, ref. note 32).<sup>\*</sup> A look at the later views of Elias and Asch conveys a different impression, a picture of survival rather than obliteration. In *The Dakota of the Northwest: Lessons of Survival* (1988), Elias examines the different economic strategies of several different Dakota bands who settled in different parts of western Canada. He says:

Each of the bands represented different ways of utilizing resources, technology and labour. Because they were located within and therefore part of the national political and economic context, each was constrained by similar external forces. On the one hand, these forces tended to encourage and promote Dakota institutions that could be reconciled with the institutions of larger Canada and, on the other, they suppressed Dakota expression that did not conform to Canadian conventions. (p. xvi)

Asch also paints a more complex picture than obliteration and relegation of native society to the margins. His 1982 essay begins:

The purpose of this paper is to discuss the political and economic realities facing the Dene. Usually, such a subject conjures up in the minds of anthropologists an expose of the desperate conditions of once-independent but now marginalized native peoples and is therefore not

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<sup>\*</sup> This issue is further addressed in Chapter 2.3.6 "Wage-labour activity".

a subject of hope but rather of despair. Such ... is not the case here. (Asch, 1982, p. 347)

### 1.3 Institutional vs. Market Approaches to the Fur

Trade. In the 1960s, the distinction between substantive and formal meanings of the term "economic", utilized by Polanyi (1957, 1968, 1977), Dalton (1961) and others, was brought to bear on the study of the fur trade. Dalton described the distinction in this way:

In the substantive sense, economic refers to the provision of material goods which satisfy biological and social wants...The second meaning of economic is described by the terms "economical" and "economizing" [denoting] a special set of rules designed to maximize the achievement of some end or to minimize the expenditure of some means. (Dalton, 1961, pp. 5-6)

E.E. Rich (1960) implicitly and Rotstein (1967, 1972) explicitly drew this distinction. In his 1960 article "Trade Habits and Economic Motivation Among Indians of North America", Rich argued that Indians were undoubtedly professional traders, but they nonetheless did not respond to the operation of the price system in ways which would be predicted by a market economy. Rich argued that "much that was formal and social rather than primarily economic found a proper place in such [English and Indian] interchanges" (p. 42). What Europeans saw as improvidence in the depletion of the beaver resource, Rich placed in a new light. Rich thought that it was due to fact that the Indians had different notions of property and of economic motivation.

As an example of the different response to economic incentives by Indians, Rich (1960) cited the Report of the 1749 inquiry into the operation of the Hudson's Bay Company (the Bay). According to merchants who testified at the inquiry, the Bay was exacting monopoly profits and charging too high a price for trade goods. The London merchants thought that if the prices of trade goods were lowered, more furs would be brought in by Indian trappers, and more trade goods would be exchanged. Bay men who were familiar with the trade said that increased prices for furs would lead to fewer furs being harvested, not more. The merchants argued from what they considered a predictable, rational response to lower prices for trade goods. The Bay men argued that market psychology did not prevail in the interior of North America. Rich concluded that the inquiry showed that the demand by the Indians for European goods was limited. Higher prices for furs meant that fewer furs would need to be exchanged to obtain the same quantity of trade goods. Rich (1960) also noted that Indians could not be induced to trade for goods to fill "imaginary wants" (p.49-50). Tin-tray commercialism was apparently ineffective. Moreover, Rich suggested that the trading Indians insisted upon the maintenance of a fixed standard of trade rather than bargaining over price. In general, Rich (1960) argued,

When the Indians had got used to a convention there was no breaking it with safety; if once they had got used to receiving a yard of tobacco for a beaver ... they would go elsewhere to traders who would give only a foot rather than abate an inch of the yard to which they thought they were entitled. (p.44)

Rotstein took Rich's analysis a step further, arguing that the formal and social features of the trade to which Rich had drawn attention were embedded in "Indian political institutions" (1972, p. 1). Rotstein argued that Indian participation in the fur trade was best understood as an extension of Indian institutional practices adapted from the "alliance system" (p. 4-5), the political institution of the Council (p. 5-8) and the ceremonial reciprocal gift exchange which "served as a confirmation of political agreement"(p.9). Rotstein appeared to treat trade as an adjunct to political agreements. Rotstein appeared to have assumed what was to be tested as a hypothesis, the insignificance of market influences in Indian trading practices.

Rotstein's emphasis on features of the trading relationship between Indian and European which were derived from 'Indian culture traits' may have permitted an underestimation of other features of the relationship. This weakness was reinforced by methodological shortcomings in his research. Rotstein's doctoral thesis (1967) though brief, sometimes ranges across the centuries and across the continent in the same paragraph, selecting events which

support the point being argued. That method of managing spatial and temporal factors, less acceptable by contemporary standards than when it was written, makes it possible to draw any conclusion on any side of the arguments, and weakens the case. To the extent that there is not a single, but a multiplicity of fur trades, as Francis and Morantz (1983, p. 167) and Ray and Freeman (1978, p. 8) argue, it is necessary to control for the spatial dimension. To the extent that Indian social and economic systems changed over time, adapting to changes in the resource base and economic opportunities, as suggested by Bishop (1974), Ray (1974) and Bishop and Ray (1976), it is necessary to control for temporal factors.

The denial of market influences in Indian trading behaviour met with a formidable challenge in the work of Ray and Freeman (1978). In *Give Us Good Measure*, they challenged the assumption that Indians in the fur trade were largely unresponsive to market forces. Analyzing the account books of the Hudson's Bay Company, in the light of a re-interpretation of the meaning of the "overplus", they demonstrated "a strong connection between effective price levels and changing intensity of competition between the Hudson's Bay Company and its French rivals," (p. 163) which were reflected in the profit levels of the Company.

When they examined the supply response of Indians to changed prices, they confirmed the observation of fixed demand levels. Ray and Freeman expressed views compatible with Rich's, noting that the fixed demand for goods by Indians was in part due to cultural differences, such as attitudes toward future planning, discounting of the future as against the present value of goods, participation in the trade to meet basic needs rather than to secure profit, and "to satisfy their love of adventure and ceremony, and to gain status amongst their fellows", and to display the social virtue of generosity. (Ray and Freeman, 1978, pp. 222-223). But they also pointed to the geographic and technological factors which strictly limited the extent of accumulation of trade goods by Indians, whether as capital or as consumption goods:

In part, this [limited purchasing] was no doubt due ... to the fact that the mobile lifestyle of the Indians set limits on the physical quantities of goods which they could carry with them or store. Furthermore, during the period before 1774 when the Indians were obliged to travel by canoe to and from the bay in order to trade with the Hudson's Bay Company, the cargo capacities of their canoes set upper limits on the quantities of goods which they could carry into the interior. (1978, p. 223)

This approach rejected the argument that the fur trade in western Canada was primarily a treaty trade, in which economic motivation appeared only as embedded in wider political and cultural institutions. Ray and Freeman make their criticisms explicitly. They argued that "the



consciously political aspects of the trade, both on the European and Indian sides, diminished in importance at an early point in the development of exchange" (p.236), that retained formal practices of earlier "embedded exchange in trade institutions were "modified to reflect increasing dominance of economic considerations" (p. 236), and that the function of gift exchange "altered as the trade developed" (p. 242), with the pre-trade exchange increasingly serving as a "tool which each participant used with the aim of introducing more flexibility (as required by a competitive market) into the terms of trade." (p.243)

Watkins attempted unsuccessfully to defend Rotstein's thesis. In a book review of Ray and Freeman's work, Watkins claimed that there was no justification for the book, that it used the notion economic too narrowly, and that its significance lay only in its confirmation of the validity of the Rich and Rotstein hypothesis (Watkins, 1979). The Ray and Freeman argument has established a more mature and complete picture of the trade habits and economic behavior in western Canada than were reflected in the Rich and Rotstein hypothesis. Ray showed, for example, that Indian consumers used their bargaining position to force traders to stock higher quality goods (Ray, 1980).

1.4 Dual and Dependency Approaches. Innis (1956)[1930] and Rich (1960, 1960b) had observed several aspects of

Indian economic adaptation to the fur trade. For example, both had observed the emergence of middlemen in the trade, and efforts by Cree middlemen to protect their middleman position, using the threat of force, and use of force when necessary, to prevent direct interaction between the HBC posts on Hudson Bay and more inland trapping Indians. In his doctoral thesis (Ray, 1971) and in *Indians in the Fur Trade: their role as hunters, trappers and middlemen in the lands southwest of Hudson Bay, 1660-1870* (Ray, 1974) Ray examined ecological, geographic and economic adaptations to the fur trade. He showed that Assiniboine and Cree Indians assumed different roles depending on location and the changing character and requirements of the trade over two centuries.

Charles Bishop's *The Northern Ojibway and the Fur Trade: An Historical and Ecological Study* (Bishop, 1974), traced the social and economic changes in Northern Ojibway society from the time of the early fur trade in the 17th century to 1967. He described population movements and a variety of ecological, environmental, cultural and institutional adaptations to changing socio-economic conditions. Bishop shows that in the period after 1782 - the date of the founding of the Northwest Company - the Ojibway were able to obtain more favorable terms of trade and more trade credits in the highly competitive environment, a situation which persisted only until 1821. By 1821, depletion of the fur

bearing resource and merger of the two fur trading companies had conspired to make the Ojibway "totally reliant upon the trading post for survival." (Bishop, 1974, p.12)

The point of view adopted by these studies marked a change from the earlier view that the history of Indians could be treated in the main as an aspect of the history of the fur trade, as an extension of the economic history of Europe. This idea was explicitly stated in Ray's "Fur Trade History as an Aspect of Native History" (Ray, 1978a). This approach had implications for the study of Indian economic history *per se* and of the specific institutions which emerged for the conduct of the fur trade. The methodology of these studies was enriched by the contributions from diverse disciplines - economic geography (Ray) and anthropology (Bishop).

Ray saw the Hudson's Bay Company fur trade system as a complex institutional arrangement designed to facilitate trade between two different economic systems. On the HBC side was an monetized economy dominated by the price system, in which the Bay had to market its furs and purchase trade goods and provisions. On the Indian side of the trade, the economy was a barter system with relatively inflexible standards of trade for furs and for trade goods. Ray describes these arrangements as being of the Bay's devising, in response to Indian attitudes towards trade.

Ray's description of the Hudson's Bay trading system as an institution of exchange between economic systems is very close to Boeke's (1953) description of a "dual market". "Dual economy" theory describes the co-existence and mutual penetration of two different social systems. Boeke wrote that

in a dual society...one of the two prevailing social systems, as a matter of fact always the most advanced, will have been *imported from abroad* and have gained its existence in the new environment without being able to oust or to assimilate the divergent social system that has grown up there, with the result that neither of them become general and characteristic for that society as a whole. (Boeke, 1953, p.4)

The fur trading system described by Ray between the Hudson's Bay Company and the Indians southwest of Hudson's Bay was just such an interaction between indigenous hunting and gathering societies and imported British capitalism of the mercantilist period. Boeke also saw that dual institutions tend to draw the indigenous social system increasingly into the web of money and market mechanisms of the imported capitalist system, with results which persistently worked to undermine the independence and effectiveness of the indigenous social system. Boeke argued that the dynamics of this interaction are far-reaching, many-sided and typically destructive for the indigenous economy. Observing Australia and Canada from his perspective in Indonesia in the 1940s and 1950s, Boeke suggested that a

homogenous western nation had developed "because there the indigenous population has been exterminated, or else its humble remnants have been driven out of their habitats and settled on reservations, so that they exert no further influence on the social development of the country" (Boeke, 1953, 11-12). Boeke saw the need in Indonesia for the application of

three economic theories combined into one: the economic theory of a pre-capitalistic society...the economic theory of a developed capitalistic or socialistic society ... and the economic theory of the interactions of two distinct social systems within the borders of one society. (Boeke, 1953, p.4-5)

Fur trade scholars saw that Indian participation in the fur trade sowed the seeds of later dependency on the trading system. The inland expansion of the trading post system, and the extensive competition of the HBC and the Montreal Northwesters after 1762 encouraged the participation of more and more bands directly in fur trade trapping and production, speeding fur-bearer resource production. As the Bay and Northwest company expanded inland, transportation networks required greater manpower and a more extensive provisioning system which provided a new specialization for buffalo hunters in the fur trade system. Asch's views on Dene participation in the fur trade, especially after 1870 could be applied to more southern groups of Indians, especially Cree and Assiniboine, by 1821:

...the genesis of many problems for the native people was the fact that, unbeknownst to them, their relationship with the fur trade in the period after 1870 created an exchange in which they received immediate material well-being in return for economic dependency on outside agents: a dependency that became real after the collapse of the fur trade and which has been maintained through post-war government intervention. (1977, p. 58)

The fundamental criticism of this type of approach was first articulated in extended form by A. G. Frank (1967, 1975). In Frank's critique, the lines are blurred in two respects. First, lines of distinction are blurred between the W.A. Lewis (1954) version of the dual economy thesis, and other versions of the thesis. Second, in the criticism of the Lewis version, lines of distinction are blurred between the Lewis version and the modernization approach developed by the likes of W.W. Rostow (1961). Nonetheless, the dependency approach, as advanced by Frank, had the merit of highlighting the fact that the capitalist sector, far from being the source of development in underdeveloped countries, was the cause of the disease, not the cure.

Frank hypothesized an organic link between the developed countries and the underdeveloped. He developed a 'metropolis-satellite' model which described a hierarchical set of relationships from the center to the satellite. A chain of dependencies becomes established from metropolis to satellite whereby the center exploits the periphery, and establishes a set of economic, political and social structures which sustain the parasitic relationship to the

center. Colonial economies, therefore, are most likely to flourish when left alone, and the condition for development is a break with the center. For Frank, the problem is not incomplete integration into the world capitalist system; rather, the problem arises directly as a consequence of the degree of integration. In a global context, this has developed into a world system approach (Wallerstein, 1979).

The analysis of a hierarchy of dependency relationships has been criticized because it makes exchange relationships the principal vehicle for the extraction and expropriation of the economic surplus (Goodman and Redclift, 1981). Surplus production gets short shrift in the dependency approach. Production relations are ignored except insofar as they are reflected in the market exchange transactions through which surplus appropriation takes place. Even from within the sphere of exchange, the different socio-economic organizations of the center and periphery remain unexamined. They are unexamined on principle: examining them would detract from the analysis of center-periphery relationships as an unadulterated dependency relationship. While Frank accepts Boeke's claim that capitalist trading enterprises are "part of the metropolitan economy on peripheral soil" he explicitly rejects the idea, which he incorrectly attributes to Boeke, that "these metropolitan outposts are socially, economically, and politically isolated from the respective

peripheral hinterlands, or that these hinterlands are isolated and independent from them..." (Frank, 1975, p. 78).

In fact, Boeke neither sees in capitalist industry the source of growth, nor does he see the sectors as isolated.

Far from it:

However impressive the long list of new factories and new branches of industry, it should be remembered that Indonesia today is further removed from self-sufficiency than it was a century ago; and that its national small industries, its rural and communal self-provisioning with manufactured products, has for the most part been ruined in the course of modern development. Here, too, the economic development of the country has increased its economic dependence. (1953, p. 227)

Frank's essential conclusion was that 'everything is capitalist now'. Frank felt that capitalism immediately absorbed and incorporated the periphery upon contact, and that significant vestiges of pre-capitalist economic formations do not persist for long. For Frank, it is not an empirical observation, but an assertion of the dependency theory, that capitalist penetration quickly eradicates pre-capitalist social and economic relations, and introduces structural dependency (Goodman and Redclift, 1981). Contrary to Frank, it has long been recognized that this question must be approached as an concrete historical problem (Marx, 1959, pp. 325-326). Quite a few studies have shown that complex articulations of two economic systems can persist for long periods. (Tanner, 1979) These results have been formalized theoretically in the articulation of modes of



production approach (Foster-Carter, 1978; Laclau, 1971; Rey, 1971, 1973).

Frank's analysis has been extended to the analysis of center-periphery relationships within a single country with the concept of 'internal colonialism'. The concept appears in Frank (1975), developed from notes taken as early as 1963:

The colonist-imperialist manifestations of capitalism occur not only between countries, but equally so within countries. The international pattern of development-underdevelopment is reproduced on the national level between regions and economic sectors. (p. 72)

Blauner (1969) used the concept in relation to the ghettos in the United States. It has also been applied to the Indian context; Ruffing (1979) analysed the Navajo nation in the U.S. in these terms. Frideres proposed a model of internal colonialism applied to Indians in Canada, where the features of the process of internal colonization are characterized as: "incursion of the colonizing groups", "its destructive effect on the indigenous group...", "external political control and Native economic dependence...", "racism and the establishment of a colour-line..." (1983, p. 295-299)

Watkins (1977) develops this argument in terms of a number of measures of surplus extraction. Loxley (1981) makes a similar argument with respect to Northern Manitoba. A problem in applying this approach is that on-going

exploitation of Indian resources, especially in the south, is limited. There is often a net inflow of resources from the Canadian capitalist society to most reserve communities. At other times, valuable resources are coveted by industrial and commercial interests: forests are harvested for pulp and paper; waterways dammed for hydroelectric generation facilities; oil, gas and other resources exploited. The exploitation of these resources leads to large outflows of resources from Indians' lands and hinterlands.

Recognition of these distinct circumstances led Snipp (1986) to distinguish between captive nations and internal colonies; that is, Indian bands before and after significant resource exploitation on reserve lands. In some cases, however, dependency theorists have not taken care to distinguish between the two senses of dependency: one, in which the dependent community is dependent upon the net transfers of resources of the dominant capitalist economy; the other in which there is surplus extraction from periphery to center.

Watkins' (1977) argument against dualism in the Canadian native context has been substantially utilized by others, such as Carter (1992) and Ross and Usher (1986). Watkins (1977) characterizes the dual economy view as follows:

According to this view, the North is a two-sector economy, consisting of a 'modern' sector and a 'traditional' sector, and these two sectors are

substantially separate. The 'modern sector' is seen as essentially an 'enclave', where 'development' takes place, while the 'traditional' sector is stagnant and full of problems, and is not experiencing the benefits of 'development'. The logic of this position is that the solution lies in moving people out of the 'traditional' sector and into the 'modern' sector. The transition, though painful, is necessary. At the end of the road - or in this case, at the end of the pipeline - what will be created is a one-sector 'modern' economy with everybody experiencing the benefits of 'development'. (p. 93)

Watkins then argues:

The concept of dual economy is not helpful in analyzing the history of the Mackenzie District either in the era of the fur trade or in the recent, and present, era of mineral production. In the past, when the fur trade was dominant, the economy was a one-sector native economy with trapping commercialized. The Dene benefited, though at the long-run cost of dependency. ... Today, the economy is a two-sector economy with the mineral sector added to the pre-existing one-sector economy. But the two sectors are anything but separate. Rather, the operation of the 'new' sector works, through a variety of mechanisms, to underdevelop the 'old' sector. (p. 93-94)

The claim that the earlier fur trade economy was one-sector begs the question of the nature of the commercialized trapping sector. It was evidently through commercialized trapping that the Dene economy carried out its trading relationship with the other economic system, corporatively manifested by the Bay. But the key point, we are soon told, is not whether there are one or two sectors, but the nature of the relationship between them. And that relationship is one of extraction of the surplus from the Dene by the capitalist sector, in particular the mineral sector. But

Boeke (1953) views the capitalist economy as exploitative of and destructive to the indigenous economy, so this is not sufficient to distinguish dualism from Watkins' version of the dependency approach. What is needed is that a distinction be drawn between the view of the dual economy held by Boeke and the view posited by Lewis (1954).

Boeke (1953) distinguishes between the capitalist and pre-capitalist sectors. He emphasizes their profound differences, but concludes that the capitalist economy tends in myriad ways to destroy the pre-capitalist community. Lewis, however, stresses that the key for economic development is capital accumulation which proceeds in the industrial capitalist sector, drawing on the subsistence sector for labour and for subsistence goods. Hence, profits on capital are the engine for capital accumulation and growth. Insofar as his model is explicitly a model of capitalist development, as opposed to a scheme of capital accumulation which might be appropriate in any industrializing economy whether capitalist or socialist, it tends toward a 'modernization' approach.

As Kanbur and McIntosh (1987) emphasize, the crucial feature of dual economy models is not a contradiction between modern and traditional sectors which Watkins proposed, but rather that they are a sub-class of two-sector models in which there are asymmetries and rigidities between

the two sectors. These may be production or organizational asymmetries; they may be product market or factor market asymmetries. By this criterion, Watkins' (1977) focus on modern vs. traditional sectors as the key distinguishing feature of dualism misses the mark. Indeed, it could be argued that his characterization of the Dene economy as a "two-sector economy with the mineral sector added to the pre-existing one-sector economy" (p. 93) meets the criterion of Kanbur and McIntosh for a dual economy model. As Watkins argues, there are barriers which prevent the native people from participating in the "new" sector, and benefits of the mineral sector from flowing to the native sector.

Watkins' critique rests primarily on the distinction between 'modern' and 'traditional' sectors. In so doing, he tars all dual economy approaches with a modernization brush. The modernization approach attempts to explain the impediments to and the forces for modern economic growth in underdeveloped countries. Modern economic growth refers to "the application of science to problems of economic production", while modernization encompasses broader domains including social and cultural domains. (Gillis, et. al. 1987, p. 8)

Rostow (1961) was an influential advocate of modernization theory. He stressed the necessity for the transformation of traditional societies along very definite

lines. These included the application of modern science to create "new production functions in agriculture and industry, in a setting given dynamism by the lateral expansion of world markets and the international competition for them" (p. 6). The principle of "compound interest becomes built, as it were, into [society's] habits and institutional structure." (p. 7). Economic development depends on structural shifts: from agriculture to industry; from community orientation to individual self-interest; from a subordination of man to nature to subordination of nature to man. Modernization theory stressed the social, cultural, political and economic traits compatible with modern economic growth. In Rostow's view, traditional social arrangements, such as non-nuclear families, indicate a lack a modernity.

Frank and Watkins have introduced theoretical confusion into the study of economic development by failing to distinguish among variants of dualism, on the one hand, and between dualism and modernization theory, on the other. From a methodological standpoint, the dependency approach deprives the colonized of a history except as a footnote to the history of the metropolis. The staples approach tells the history of Indians as the history of the fur trade, and that in turn as a retreat in the face of the advance of European civilization.

Criticisms of the dependency approach have been of variable quality. Thistle (1986) criticized the conclusions of Ray (1974) and Bishop (1974) that participation in the fur trade over the years led to eventual dependence on the fur trading post, and concluded that this proved that Ray and Bishop were dependency theorists. Theoretical confusion was compounded by methodological flaws in Thistle's utilization of sources and the spatial and temporal management of the data (Tough, 1988). Anthropological studies, on the other hand, have been particularly valuable in providing concrete analysis of the interaction between Indian and Euro-Canadian social and economic organization, usually displaying good control of spatial and temporal factors.

1.5 Systems of Exchange and Systems of Production. The dual approach focuses on production or organizational asymmetries between two economic systems. Dependency theory focuses on markets as vehicles for the transfer of resources from the periphery to the center. Laclau (1971) noted that in Frank's work, the relations of production are altogether absent.

Dual economy theory permits an examination of production and organizational asymmetries. In that sense, Ray's examination of the development of specializations among Indians southwest of Hudson Bay as traders, trappers and

hunters, and their interactions with the European economic system might be considered a dual approach. Toby Morantz argued that institutions, such as the trading captain system, were 'dual' institutions put in place to facilitate organized Indian participation in the fur trade, but with limited effect on core institutions of the James Bay Cree who employed this system (Morantz, 1977; 1980; Francis and Morantz, 1983).

Some dependency theorists have attempted to use the Marxist analytical framework of mode of production to extend the analytical framework beyond market relationships. Bourgeault (1983) argued the view that contemporary class exploitation of native peoples has its roots in mercantilism (by which Bourgeault means a system of merchant capitalism intermediate between feudalism and capitalism, rather than a complex of state policies characteristic of France and England in the sixteenth and seventeenth centuries). "It is within this system that the contradictions of race, class and nationalism have their antecedents and that the foundations were laid for the formation of Canada as a nation-state." (p. 45) The particular status of native peoples within the ambit of the Hudson Bay fur trade was as a "peasantry caught in the web of the feudal relations of production." (p.45) Bourgeault's characterization of the fur trade system becomes quite forced:



Indians as a primary source of labour for mercantilism, were transformed from producers of goods and services entirely for collective use, into a peasant or serf labour force bound to particular trading posts, with the commanding officer (on behalf of the merchant capitalist) functioning as a feudal lord. The method was to appropriate surplus production through a form of tithe in recognition of European land ownership and colonial dominance. (1983, p. 48)

The process of creating this serfdom was to create "dependency upon foreign goods" (p. 51), and psychological dependency towards the fur trade post (p. 53) through individual trade in order deliberately to introduce a notion of private property among Indians.

After 1821, with the merger of the HBC and the Northwest Company, Bourgeault's analysis turns to the Metis, a group whose nascent national consciousness blossomed in the wake of widespread layoffs which followed the merger of the two fur trading companies. Bourgeault marks the beginning of the "era of formal British colonialism" (p. 63) from this date, and notes the transition to a more explicit wage labour system with a free labour force. By this time, Indians appear to have departed the historical stage, and native history has become history of the Métis.

Through such an analysis, the dependency hypothesis of nearly immediate subordination of peoples to capitalism is extended by seeing in the trade relations a reflection, as it were, of the mode of production. In this respect, the hypothesis suffers from all the short-comings of the

dependency hypothesis which ignores the complex adaptations of Indians to the fur trade in the context of the changing resource base. The characterization of the prevailing mode of production appears stilted and transplanted. Pentland (1981) characterized labour relations between Indian and European more circumspectly, noting that analogies drawn to existing European social relations were bound to be inadequate. Pentland found parallels to the labour relationship between Indians and fur traders in "merchant-employer system of commercial capitalism" and in the "tribute system imposed on Oriental peoples". (pp. 22-23) To avoid confusion, he developed the designation "personal labour relations." (p. xlvi)

Bourgeault's attempt to reflect dependency theory through a Marxist prism suffers for its neglect of the Indian after 1821. His story is one of initial feudal exploitation of Indians, followed by exploitation of women - reproductively as well as productively - with the consequence of creating a free labour force through the fostering of production of a mixed-blood population, which subsequently moved into junior positions in the trade, followed ultimately by the emergence of the Metis as a people after 1821.

Bourgeault's effort at utilizing a Marxist approach to dependency fails primarily because it fails to distinguish

between transitions which occur from within the socio-economic organization, as for example, the transition from feudalism to capitalism in Europe, and those which arise from the interaction of different modes of production. Boeke (1953) was careful to draw a distinction for analytical purposes between homogeneous and dual societies, the former being those which show transitions from one mode of production to another via internal transformation, as Europe from feudalism to capitalism. Capitalism will show traces of feudalism and perhaps harbingers of socialism, but will nonetheless not be a dual economy. Boeke reserved the characterization of dual economies for those characterized by the interaction of two modes of production, one (usually capitalism) introduced from abroad existing side-by-side with the pre-existing mode of production already in place in the country. (Boeke, 1953, pp. 3-4) The dynamics of development and historical trajectories of the social system are different in the two types of situations.

"Dual" does not refer to two separate entities but an "indissoluble unity" which is an economic system comprised of two modes of production (Laclau, 1971). The articulation of modes of production approach seeks to provide an historically concrete analysis of the interaction of two modes of production within an economic system which is decidedly capitalistic, but which includes as an intrinsic

part the pre-capitalist mode of production. (Foster-Carter, 1978) Various historical trajectories might be envisaged as a consequence of this jointing of modes of production into a single system. Rey (1971; 1973; summarized by Bradby, 1975) proposed the studying the articulation of modes of production as an historical process which may pass through several stages:

- (1) a period of initial links, in the sphere of exchange, which may reinforce the pre-capitalist mode of production;
- (2) a stage in which capitalism "takes root" within the pre-capitalist mode of production; and
- (3) the disappearance of the pre-capitalist mode of production altogether.

Rey argued:

Capitalism can never immediately and totally eliminate the preceding modes of production, nor above all the relations of exploitation which characterize these modes of production. On the contrary, during an entire period it must reinforce these relations of exploitation, since it is only this development which permits its own provisioning with goods coming from these modes of production, or with men driven from these modes of production and therefore compelled to sell their labour power to capitalism in order to survive. (cited in Foster-Carter, 1978, pp. 221-222)

Critics of this approach argue that it is un-Marxist (unlike the dependency approach). Alavi (1987) argued that

Contrary to the Marxist view that when a new (capitalist) mode of production develops in a social formation, there

is a contradiction between it and the pre-existing (pre-capitalist) mode and through that confrontation the latter is dissolved, they take instead the view that this results only in the 'dissolution/preservation' of the latter, a notion that in its uncertain formulation betrays a lack of theoretical clarity. (p. 190)

Alavi falters when he fails to distinguish between endogenous economic transformation (developing 'within a social formation') and transformation arising out of contact of two economic systems. The authority for the Marxist character of this approach, contrary to Alavi, is easily found. Marx observed that the historic role of mercantile capital was to foster trade regardless of the basis on which production proceeded:

...on the basis of every mode of production, trade facilitates the production of surplus-products for exchange, in order to increase the enjoyments, or the wealth of the producers (here are meant the owners of the products). Hence, commerce imparts to production a character directed more and more toward exchange-value. (Marx, 1959, pp. 325-326)

Marx stresses, however, that the outcome of this process is not a determinate one; nor does it necessarily pass through some general 'stages'. Trade tends to dissolve prior production relations, but by no means in fixed ways, nor in ways that are independent of the mode of production undergoing the transformation.

Commerce, therefore, has a more or less dissolving influence everywhere on the producing organization, which it finds at hand and whose different forms are mainly carried on with a view to use-value. To what extent it brings about a dissolution of the old mode of production depends on its solidity and internal structure. And

whither this process of dissolution will lead, in other words, what new modes of production will replace the old, does not depend on commerce but on the character of the old mode of production. (Marx, 1959, pp. 331-332)

Alavi may feel that Marx displays here a "lack of theoretical clarity". However, Marx's view has the merit of requiring concrete analysis of concrete conditions, rather than the application of mechanical formulae, however 'theoretically clear' they might be. The analysis of the historical trajectory of concrete social formations required the examination of each mode of production, and in particular the "old mode of production." This demands analysis of the solidity and internal structure of that mode of production, as well as the analysis of trading relationships themselves.

1.6 Paths of socio-economic transformation. Little research in respect of Canadian Indians has appeared which has explicitly utilized the articulation of modes of production approach. An exception is Loughran's *Articulation and Underdevelopment within a Developed Country: The Cree, Ojibwa and Metis of Western Canada* (1987), but that work suffers from mechanistic application, not unlike Bourgeault's use of the mode of production approach.

Although not explicitly employing the articulation of modes of production framework, considerable research in the history of the fur trade, economic and ecological adaptation during the fur trade and after, have implicitly utilized

that approach. One interesting feature of those studies is the explanation of how the interaction between the native and the capitalist economies is monetized. As Marx (1959) noted, trade imparts an orientation directed more and more toward the production of exchange-value. Leacock's model of production for use versus production for exchange (Leacock, 1954); Tanner's characterization of bush sector and settlement sector (Tanner, 1979); Asch's distinction between bush subsistence sector and cash-trade goods sector (Asch, 1977); Dunning's emphasis on subsidies for the hunting economies of the Ojibway (Dunning, 1959); and Ross and Usher's (Ross and Usher, 1986) distinction between formal and informal economy all highlight the significance of monetized transactions in the relationship between native and the Euro-Canadian capitalist economy. (These studies are briefly surveyed Appendix I.)

Two main models for depicting the path and pace of change of a local Indian mode of production articulated with the capitalist economy can be distilled from these studies. One considers that the old mode of production moves inexorably toward a final state representing its complete integration with the dominant, capitalist economy; this model stresses the operation of economic and social factors forcing the process. The second model considers that the path and pace of change is not pre-determined to that

outcome, and that it is possible that a stable dual economy can be established under certain conditions. This model may stress political and ideological factors in Indian and Canadian social formations, something largely neglected in previous work.

The general problem examined by the first model can be described as the process by which the 'natural economy' is transformed into a 'final' culture stage or mode of production which represents the outcome of the process of interaction with the capitalist mode of production through production for exchange and increased market involvement. 'Natural economy' is used here after Bernstein (1977) to describe an economy where the production of use values predominates. Bernstein suggests that: "the crucial moment in the penetration of natural economy by capital is the breaking of its cycle of reproduction, which is accomplished through the initial monetization of at least some of its elements" (p. 62). This is followed by expansion of the cash sector, which encourages increased efforts toward production of exchange-values. Leacock (1954) suggests that the mere presence of commerce initiates an inexorable movement towards acculturation, so to speak, to the capitalist mode of production. At this point, some consideration should be given to the expected impact of commerce, or mercantile capital, on the indigenous mode of production. Expansion of



the cash sector typically proceeds by directing productive efforts increasingly towards market relations and exchange. This may be called "monetization" of the indigenous economy.

Some authors have tried to define some definite path and end point which would be followed by 'acculturation' to capitalism. Murphy and Steward (1956) compared the acculturation trajectories of Indians of northern Canada and indigenous population of Brazil. The Canadian material was based on the monograph by Eleanor Leacock (1954). The case put by Murphy and Steward (1956) was that hunting and gathering societies were moving toward what they call a 'final cultural type' as a result of the pressure of outside commercial contact. The key argument was that this common outside factor - trade goods exchanged for local produce - leads to a similar socio-economic formation with an orientation towards the exchange sector. The final phase in this movement is "assimilation of the Indians as a local sub-culture of the national socio-cultural system"(p. 350).

Two economic and four social criteria are listed by Murphy and Steward as symptomatic of the 'final culture type'. The economic criteria are (1) predominance of fur-trapping over subsistence activities and increased reliance on winter provisions provided through trade; and (2) shift of economic interdependence from the hunting group to the trade. The social criteria are: (1) replacement of the

winter hunting group by the family or individual hunting unit; (2) primacy of the nuclear family year-round; (3) development of family hunting territories; (4) replacement of traditional authority by authority based on influence with administrative institutions. This model became the basis for a literature examining the process of transformation of northern communities through acculturation. However, several papers stressed the conditions under which it was possible to maintain a more or less stable 'intermediary' position between some primordial aboriginal culture type and the 'final culture type' suggested by Murphy and Steward. A number of comparative studies showed that this process was unfolding at different rates in different communities, and suggested the factors which contributed to this (for example, Helm and Damas, 1963; Fried, 1963; Oswalt and Vanstone, 1963). This suggested the need for further examination of the specific trajectories of acculturation of specific Bands and communities.

The second model is epitomized by the work of Tanner (1979) and Asch (1979b, 1977). Tanner proposed a "transformational model of social change." According to this model, an "intermediary structure" will typically be created which stands between the aboriginal mode of production and the mode of production of the dominant society (that is,

capitalism). The model does not require change from the post-contact to the dominant mode of production; but it suggests under what conditions such change is likely to occur. The factors influencing stability or change include the stability of the resource base, the characteristics of the market, degree of integration with the national economy through infrastructure, communications, schools and other institutions, and government policies. Other factors include the relationship between the technology and social organization associated with the production of domestic goods and the cash goods.

Asch (1979b) advances a similar model, stressing the combination of changing market conditions and government intervention to direct culture change with access to money (cash-trade goods) used to lever community compliance.

This approach gives greater significance to non-economic factors, in particular ideological and political factors and the role of the state, than the acculturation model. For Murphy and Steward, the process is driven mainly by the international economic conditions, with no role for the state or conscious policy on the part of Indian communities. Feit (1982) considers the absence of such 'non-economic' factors one of the major failings of the Murphy and Steward framework. He suggests that the impact of government interventions has been shown to be of

considerable significance in the structure and patterning of dependencies. In regard to the Eastern Cree, Feit (1973; 1982) refers to: government programs to strengthen the trapping economy in the face of white trapping and subsequent resource depletion in the 1930s and 1940s; the shift to cash transfer payments in place of welfare rations, and subsequent universal transfer payments programs; and structuring of ration payments to coincide with seasonal trapping and settlement patterns in the 1950s. By the 1960s a crisis existed in the subsistence economy as a result of changing market conditions. Subsequent changes in welfare policy in the 1970s eliminated the lump sum rations, thereby undermining intensive winter hunting activities. Feit observes a distinct change in the orientation of policies in the 1960s as opposed to the earlier period, with the government increasingly patterning programs on the presumption of the end of the hunting and trapping economy, and thereby increasing dependencies of Indian people on the cash sector.

Another factor ignored by the Murphy and Steward acculturation approach was the conscious patterning of community responses to changing economic and social circumstances. This shortcoming is seen in Leacock (1954) and Dunning (1959), writing on the Montagnais and northern Ojibwa respectively. Both suggested that changes in social

relations are a necessary and direct consequence of the changes in economic conditions in communities. Leacock, for example, argued that the increase in trapping for exchange as opposed to hunting for subsistence necessarily leads to acculturation to the larger, market economy.

Subsequent studies have called this one-way, determinative linkage into question. Feit (1982) argues that the Cree used their leverage arising out of the opposition to the James Bay project to deal with growing dependency and to guarantee measures which would strengthen and perpetuate the hunting and trapping economy. Asch (1977) provides a similar picture of Dene efforts toward self-determination in their opposition to the Mackenzie Valley Pipeline Project and subsequent land settlement talks.

Considerable evidence has been assembled which has falsified the hypothesis that transformation to a final culture type under the pressure of market forces is a continuous, inexorable process.\* Examining the data on the Eastern Cree communities, Feit (1982) suggests that:

Thus, the production and sharing of food, and economic interdependences among Cree themselves, remain central to Cree economic and social life. Although hunting and wage employment provide roughly equal contributions in dollar value to the total economic outputs at a community level, hunting is the more highly valued activity, it is the more stable activity, and it remains most closely and reticulately linked to the local social and cultural

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\* For a discussion of this literature, see (Feit, 1982).

structures that are central to Cree life and that the communities clearly desire to maintain. (p. 384)

Thus, increased emphasis has been placed on two factors which were virtually excluded from the Murphy and Steward model - the influence of government policy, programs and actions; and the conscious patterning of economic change by communities. Taken as a whole, these suggest that the existence of the market/money economy side by side with the bush or domestic sector does not necessarily doom the domestic sector.

Among the principal external agencies acting on the local Indian community and its economy, Lithman (1984) identifies a number of "tutelages": the Department of Indian Affairs; the Church; and the provincial government. It is interesting to note the role assigned to "Indian Culture", by which Lithman refers to the presumed Indian culture which the Department has in mind when it introduces programs and policies. The content of this presumed Indian culture include, for example, the idea that cooperatives and Band controlled enterprises should be favored over individual enterprise because they are believed to reflect Indian social and economic organization. The stereotyping of Indian culture has also been used to develop strategy (for example, the strategy of prolonging negotiations over the Mackenzie Valley Pipeline since negotiations were perceived as a part of Indian culture) and to explain program ineffectiveness

(for example, high drop-out rates from school because Indian culture presumably devalues education.) The legal framework of the Indian Act, is also often cited as a determinant of present Indian reserve conditions.

In order to appreciate the factors contributing to the practice of underdevelopment in Canadian Indian reserves, Lithman stressed the importance of socio-political factors, such as the tension between Chief and Council (in Lithman's case study, responsible for funneling in 65% of the money resources into the community in the late 1960s and early 1970s); the 'survival work' of the Department of Indian Affairs to continue to justify its role in monitoring and directing Indian communities; the activity of the consulting industry; and private enterprise: each pursuing different specific interests under a common rhetoric. In this context, the control of the volume and flow of money resources becomes increasingly important in Indian communities, the more so as the cash sector grows in relation to the domestic sector.

These models suggest that the study of the process of economic change in the cash/domestic dual economy must take into account several external and internal factors. The external factors include: national and international economic conditions; government policies, programs and actions; and opportunities for conscious patterning of

community responses as a result of industrial developments impinging on Indian lands. Internal factors will also play a role in determining the degree of stability which a community achieves in regard to the relative weight of market/domestic sectors and their impact on communities. These factors will include the technologies and social relationships of goods produced for each sector, and the nature of the linkages between them. The stability and extent of the resource base is also important. These internal and external factors may generate regional differences in economic structures.

1.7 After the Fur Trade Era. The period after 1870 has been less studied than the period of dominance of the fur trade in the Northwest. Ray (1990) has extended his work on the fur trade into the twentieth century, with an emphasis on the northern fur trade. Tough (1987) examined a variety of issues pertaining to native people in Northern Manitoba from the treaty process to the 1930s. Many of the works cited above have traced the economic development of Bands and reserve communities well into the twentieth century. Dunning (1959) and Bishop (1974) traced social and economic changes among the northern Ojibway into the 1950s and 1960s. Lithman's monographs were based on field studies with one band in Manitoba in the 1970s. Many of the works cited above are based on field work in the post World War II period.



Others have focused on northern Indian bands, in part because their relative isolation suited the needs of anthropological fieldwork and in part because of the intense interest of oil and other mining interests in northern resources. Few works have dealt with economic history of Indians into the first four decades of the twentieth century. Wien (1987) explored aspects of economic history of the MicMac. Lithman (1983) also examined features of post-reserve economic history of a band in Manitoba.

Overall, the post-1870 economic history of Indian peoples has been little studied. This is especially true of the economic history of prairie Indian reserve economies. Such studies as have appeared have focused almost exclusively on government policy failure. Indian response has been characterized largely in terms of protests against non-fulfillment of government treaty promises (Dyck, 1986; Carter, 1990; Buckley, 1992). The role of monetized markets, organization of productive activities by Indian reserve communities, and adaptation and change in response to the changing economic climate of the prairies has been largely neglected. The weakness of this approach is analogous to the weakness of treating fur trade history as an aspect of business history. Indians appear as the objects of government policy, but in no way as subjects engaged in making their own history, just as in fur trade history,

Indians were treated as adjuncts to and dependent victims of the fur trade, with no role in the making of the fur trade history. Recent treatments of Indian agriculture have not incorporated the advances in native historiography of the past two decades.

Carter (1990) consciously set out in her work to reject dualism. However, her use of the term is hardly clear. She refers to the modern-traditional dichotomy. She singles out as characteristic of dualism a government policy, which she compares with that of racist governments in South Africa and Latin America. In her treatment of 'dualism', it is unclear whether she is dealing with an analytical approach or an ideological program used by governments as justification of racism and of apartheid.

*Lost Harvests*, Carter's history of early prairie Indian reserve farming and government policy in the Treaty 4 area opens with a criticism of the "dualism theory devised in the 1950s and 1960s by social scientists to explain the origins and coexistence of development and underdevelopment in Africa and Latin America." (Carter, 1990, p.8) Dualism is then successively characterized in ways which liken it in effect to Rostovian modernization theory, to explicitly racist explanations for labour market marginalization, and to 'irrational' responses to market incentives. Carter's references are to Palmer and Parsons (1977), Andrews (1988),

Bundy (1979), Cell (1982) and Yudelman (1964). In her description of this theory, Carter (1990) focuses on two elements. The first, citing Bundy, is that the modern sector is "characterized by high productivity, is market-oriented, receptive to change, and pursues rational and maximizing aims", while the "traditional" sector is regarded as "pre-capitalist, subsistence based, primitive, small-scale, ...stagnant, without innovation or change, and is affected by incentives totally different than those the capitalist sector responds to" (pp. 8-9). The second is that the theory is an apologetic which is of the same character as 'scientific' racism.

The modern-traditional polarity has a distinctively ethnocentric theme which is readily seen in 19th century 'scientific' racism. That theme was that pre-capitalistic peoples were backward, disposed against agriculture and industry, lacked individual initiative and a concept of private property. Taken as whole, these traits were viewed as an obstacle to development. The project of development was seen therefore as a project of acculturation to the dominant system's values, beliefs and practices. This view permeated the Department of Indian Affairs during much of its history. Such views were also prominent in U.S. Indian policy (Cornell and Kalt, 1990). It provided ideological justification for Hayter Reed's proscription against

agricultural implements because labour-saving devices were deemed to reinforce indolence. As a tool of the Indian Affairs bureaucracy, "Indian Culture" is used to justify education policy, negotiating strategies, and the persistent failure of government programs (Lithman, 1983, p. 46-47).

In her discussion of the theory that has guided Indian policy in Canada, Carter (1990) compares the ideology of racist colonial policy in southern Africa with that of the Department of Indian Affairs. She follows Palmer and Parsons (1977) and Colin Bundy (1979), in the adoption of the term 'dualism theory' to describe this approach. However, she neglects to draw attention to the distinction stressed by those authors between dual economy and dualism theory.

Carter's emphasis on the ideological basis of government policy is appropriate given her approach to the history of Indian reserve agriculture in Treaty 4 from 1870 to 1896. She adopts the view that the chief determinant of Indian economic development during this period was government policy. Initial Indian efforts at agriculture were frustrated by a policy grounded in the ideological preconceptions of 'scientific' racism. Her characterization of Indian policy is undoubtedly correct, but her emphasis on it reduces Indian participation in development efforts to the status of protesters against government policies and lobbyists for the implementation of treaties. Carter is not

alone in writing history along these lines. These are the views found in Buckley's cursory survey of prairie agriculture from 1870 to 1945 and in Dyck's study of the administration of Indian aid by the government to 1885.

The theoretical emphases of studies on southern Saskatchewan and other agricultural areas after 1870 have largely employed the approach of studying government policy failure. Other studies, such as those from the dependency and dual perspectives, have focused on northern areas, and have proved little capable of studying the on-going dynamics of interaction between different modes of production within the context of the encompassing capitalist economic system. The present study draws on the approaches which have focused on the continuing dynamics between Indian and Euro-Canadian institutions. It examines government policy, but as part of a larger context which includes the growth of the market economy in southern Saskatchewan, Indian economic development strategies, and the actual course of Indian economic development from 1870s to the 1930s.

## CHAPTER 2

### MONEY, MARKETS AND ECONOMIC DEVELOPMENT

The formulation of specific questions concerning Indian economic development depends on the adoption of a point of view on such key questions as the relationship of Indian economic activity to the market economy, the monetization of economic relations, the economic organization of Indian reserve economies, and government policy.

2.1 Market Pattern and Market Economy. Tough (1990), discussing Indian economic behavior in the northern Manitoba fur trade between 1870 and 1930, draws attention to Polanyi's (1957) distinction between market pattern and market economy. For Polanyi, market economy refers to an economic system in which market prices regulate economic activity, the allocation of resources, and decisions regarding what goods to produce in what quantities. A market economy requires the creation of markets for factors of production - land, labour and capital. Market economy implies the presence of money functioning as purchasing power in the hands of those who possess it.

Market pattern describes trade activity which may create a market institution, but which does not imply that the

economic system is coordinated by markets. Polanyi relates market pattern to the universal propensity identified by Adam Smith, the motive to truck and barter (Polanyi, 1957, pp. 43-57; Polanyi, 1977, pp. 77-78).

Tough (1990) suggests that both the Indian middleman system, and subsequent participation in competitive markets "can be explained in terms of a market pattern but not as a full fledged market economy." (p. 21) He notes the absence of the markets for what Polanyi dubbed fictitious commodities - land and labour. Such commodities are associated with market economies. Tough (1990) argued that "in the fur trade, a pure capitalist labour market did not exist; the buying and selling of wage labour was blurred by paternalism and a market for land did not exist to restrict access to subsistence resources." (p. 21-22)

Boeke's (1953) observations on dualistic Indonesian markets for labour and land are consistent with Polanyi's description of market pattern. Dual and plural theories observe that the labour force is segmented along racial, ethnic and cultural lines. Native labour will be casual, seasonal, lower paid, and display a weak labour force attachment that is subordinate to kin and band attachment. (Boeke, 1953, chapter 13; Mars, 1989)

In Indonesia, Boeke found that native land was not usually seen as a article of commerce. (Boeke, 1953) That

was also true in Canada, in the first three decades after 1870. The official policy of the Department of Indian Affairs was that lands reserved for Indians were not to be treated as commodities. Selling, mortgaging or otherwise liquidating lands set aside as reserve was forbidden. Land alienation could only be carried out by the band agreeing in the majority to surrender its reserve lands. Nor could Indians purchase or obtain homesteads on the terms available to other Canadians and immigrants. Marketable scrip, such as was used by the government to liquidate the land claims of the Metis, was not used with Indian lands. However, after the turn of the century as settlement pressures on land grew, Indian lands were increasingly viewed as a commodity. Indian lands which did go to market were sold by the Department after having been surrendered.

The European markets in which the Hudson Bay Company sold furs and bought trade goods had already acquired the features of a market economy in 1670. These features were greatly strengthened over the next two centuries. The indigenous peoples of North America had engaged in extensive trade, over long distances, for many centuries prior to the appearance of the HBC on the Bay in 1670. That trade, however extensive, did not imply an economic system in which markets regulated and coordinated production, distribution and exchange.



The absence of market economy did not imply that native economic and social organization was uninfluenced by the market system. Market institutions of the fur trade, such as the HBC trading system, emerged from the trade. Access to these markets became increasingly important for Indians. Market opportunities increasingly shaped economic activities, engendering such specialized occupations in the fur trade as trapper, middleman, hunter and provisioner. The lifestyle of the Canadian Plains Indian buffalo hunter depended on more than the buffalo. It required markets for horses and for European trade goods such as guns, ammunition and knives.

After 1870, markets grew in depth and breadth in western Canada. The market economy arrived. It was not simply imported from the east. Markets had grown up. The extent of Indian involvement in this growth of markets and emergence of the market economy has not been closely examined. It may be found that treaty trade and government purchases of provisions for Indians figure prominently in market growth.

As Indian reserve economies developed, Indian produce was brought to market. Increased Indian produce also made possible reductions in government purchases of provisions. Both work in the same direction, putting downward pressure on some market prices.

Access to markets may be important for Indian economic development. The move to reserve-based economies from nomadic economies, did not reduce the need for access to markets. The collapse of the buffalo hunt, other resource depletion, and strong ties with market patterns of economic activity, cut off retreat to the hunting-gathering economy for Plains Indians. Self-sufficient agriculture, pipe dreams aside, was not conceivable without access to markets - markets for the sale of surplus produce, for the sale of labour, for the purchase of imported necessities and capital goods. Either the government through budgetary allocations, or the Indians themselves by production for market, had to gain access to markets to procure agricultural implements and other tools, seed and provisions, clothing, and the many other articles of everyday life which were more readily bought than manufactured in rude prairie conditions. Reserve-based economic development meant increasingly market-based economic activity.

The line of argument presented above leads to the hypothesis that the Indian population was pivotal for the initial development of monetized markets and the emergence of a developed market economy in western Canada in place of the market pattern which had prevailed under HBC rule prior to 1870. This goes against conventional wisdom, according to which the only role of the Indian in the opening of western

Canada after 1870 was their abandonment of nomadic lifeways and settlement to the margins of civilization. The acceptance of this hypothesis implies rejection of the typical portrayal of the Indian's role as merely making way for the westward advance of the capitalist economy.

The second hypothesis is that economic strategies will be developed, at least in part, with a view to gaining the greatest access to markets given the resource base, the government policy environment, and the market opportunities. These will entail a growing cash orientation of the reserve economies, and strategies devised to increase the flow of cash resources into the reserve economy.

2.2 Money Traffic and Money Economy. Monetization of a significant volume of market transactions in Saskatchewan post-dates 1870. Cash disbursements to Indians for treaty-signing bonuses and treaty annuities, and purchases by the Department of Indian Affairs and by the Northwest Mounted Police, largely in connection with Indian matters, were important for the monetization of markets as well as for market growth.

Monetization of markets meant increased money traffic. Cash-in-hand fosters the growth of monetized markets, while the growth of monetized markets creates demand for cash-in-hand. A growth of money traffic does not necessarily imply the development of a money economy (Boeke, 1953).

Money traffic refers to money used for market exchange. The motive for obtaining money is as a means of acquiring goods. Money fulfills the roles of medium of exchange and means of payment in market transactions. Cash enters the Indian economy from outside; it is issued by the Canadian government. It is acquired either through political channels, such as treaty agreements, or through market transactions, such as sales of furs or other products.

A distinctive feature of money economy is that money is employed as capital. Boeke (1953) draws the distinction between money traffic and money economy in the following terms:

A distinction must be made between money traffic and money economy. Money traffic means that money is used in trade by way of facilitating matters. Here the use of money is consumptive; it is employed to make payments, to settle obligations; money is "bought" with commodities, labour or land when and in so far as it is needed for these purposes. But money economy means that the whole economic system is based on money; that money, mainly productive, is employed as capital, as the foundation and point of departure for profit-making. (p. 67)

In money traffic, the demand for money is to meet concrete needs, in consumption or production. In such a setting, commodities are marketed not principally with a view to preserving or enlarging one's capital, but in order to obtain money when and in the amounts needed.

In Indian reserve settings, money did not at first act as an integrating and organizing factor among individual

economic actors in a market setting. The need for access to markets, however, would tend to foster production for exchange. It would also tend to foster a monetary nexus in negotiations between Indians and the Canadian government.

Three hypotheses about an economy engaged in money traffic rather than money economy can be suggested. First, money in the economies with money traffic will provide a less accurate mirror image of the flow of goods and services in those communities than in money economies. A significant share of both production and consumption is carried out through a domestic economy, in which neither inputs nor outputs are distributed according to market principles, nor in terms of money (Ross and Usher, 1988). As well, transfer payments by government may provide a significant proportion of money incomes in Indian communities, as do transfers between the federal government and Indian governments for delivering federal government programs (Lithman, 1984; Wien, 1986). The rules of distribution of the product are not coincidental with rules of market exchange (Ross and Usher, 1988); hence, money does not assume the role of universal standard of value in economies which are not money economies.

Second, in money traffic economies, money does not readily play the role of capital. It does not tend to reinforce a relationship between wage labour and capital, or

to institutionalize those divisions within non-money economies. Coincidental with the predominance of domestic production, the household or multi-household unit tends to be the basic social and economic unit in communities where money traffic prevails over money economy.

Third, in money traffic settings, the social, political and economic separateness of the native economy from the money economy is reflected in part by the emphasis on negotiated relationships with the Canadian government and its agents. The extent to which money becomes the organizing principle of economic life, plays a role as capital, and diminishes the relative importance of political channels for money, may indicate the extent to which money economy supplants the money traffic orientation.

Boeke (1953) argued that the most important problem facing the local population in a dual economy is money scarcity; money scarcity becomes ubiquitous (p. 69). Market trade and money traffic penetrate the local household, inexorably drawing it into an ever-expanding cash orientation to meet ever-present and growing needs for marketed goods.

There is need for money on a regular, even daily basis, to obtain necessities from the market. At the same time, the ability to obtain this money depends increasingly on market forces. But market forces tend to make the amount and timing

of money payments uncertain. Prices fluctuate in response to market conditions. As a consequence, Boeke concluded that increased participation in the market economy - through production of cash crops, land sales or leases, through participation to a greater or lesser extent in casual, seasonal, and uncertain wage labour opportunities - increased the instability of the local economy, while simultaneously undermining the ability of the community to cope with this instability by any means other than greater attachment to markets.

The response to chronic cash shortages will typically be an intensified orientation toward cash-generating activities. These will include, in varying degrees, production for market, participation in labour markets, land surrenders and sales, and negotiated agreements on money transfers from the government to households. The effort devoted to cash-generating activities will tend to increase relative to other, non-marketed economic activities.

Often, the same activities may generate products for use and for market. This is typical of petty commodity production. It is typical of a mixed farm homestead on the prairies. It is typical of the trap-line, where furs for market and food for consumption are both products of the same productive activities. In that case, economic decisions revolve around the quantities to market, in order to obtain

cash and imported necessities, and the quantities to keep for domestic use. In other cases, the activities for market may be a distinctly different set of activities than activities for domestic use. The extent to which one or the other, or a combination of these is found depends, in part, on the resource base for domestic and marketed activities. These may vary across regions and time.

There are methodological problems involved in estimating the size of the cash sector, its relationship to other productive sectors, and changes in these over time. There are problems estimating the volume of production destined for market and for use. There are also problems in valuing production for use - is the appropriate measure replacement cost of an equivalent, or market-value of the domestic product. Finally, there are problems associated with the commensurability of these two activities by means of market values. Peter Usher (1976) writes that

Economists have not yet devised adequate methods of evaluating these functions [volume of production and exchange] when there is no market system or no cash. In measuring economic activity in the North, they have generally failed to comprehend the duality which exists there; they either ignore the problem by noting those elements of northern domestic production which do not enter the market place, or else assign cash equivalents on the assumption that the functions of the traditional sector can be integrated with the modern. Both approaches involve bias in that the modern sector is regarded as the norm, and in both there is invariably an underevaluation of the activity of the traditional sector. (p. 106)



Usher notes some of the intangibles that pose problems for commensurability between sectors. These include the social and cultural value of domestic production and cash, respectively, and the relative prestige and power associated with different types of income (with income-in-kind perhaps having high prestige and low power in relation to cash in some communities). The available data will not permit accurate measures of the size and growth of cash orientation, except within fairly wide margins of error. Nonetheless, it will be possible to identify and describe some important moments in the development of cash orientation, such as: the shift from barter to cash economy; the shift to new cash crops which are distinctly different from past subsistence and trade goods (having in mind prairie agriculture); and a changing relative importance of market and non-market (political) sources of cash.

Clear lines will not always be able to be drawn between the two main cash sources, market and non-market. For example, land surrenders involve both a political dimension - negotiation with the government over the terms of surrender and how much cash will be distributed at the time of surrender - and a market dimension - the amount for which the lands are ultimately sold.

It is expected that in southern Saskatchewan, treaty payments for Indians will be the main cash source for

Indians in the early reserve period. Agriculture is expected to become an increasingly important source of market income over much of the period under study. Wage-labour opportunities will develop as settlement increases and there is need for farm labour at certain times of the year such as seeding and harvest. Land surrenders on a large scale in areas of agricultural settlement during the first decades of the twentieth century can also be seen primarily as a means to acquire needed money resources. It is also expected that handicraft production and resource harvesting, such as wood-cutting, fishing, and other activities, provided continuing sources of cash over much of this period.

The money acquired from these sources can be utilized in two main ways: to buy consumption goods, and to buy capital goods to maintain and possibly expand the productive capacity of both domestic and for-market activities.

The economic success of household and community depended on participation in both the for-use and market economies (Ross and Usher, 1986; Long and Richardson, 1978). From early in the fur trade, the two sectors, for-use and trade were not separated or compartmentalized. On the contrary, the goods obtained through trade became integral components of the production function of the domestic production sector. Viewing the household as the basic unit of economic activity at the local community level, which integrates

production and consumption in the same organization, activities are not sharply divided between cash and for-use sectors. Rather, the household may be seen as an integrated, articulated economic unit which maintains relationships to money sources, to other economic units in the community, and to its resource base.

The adoption of a growing cash orientation does not necessarily imply economic success for these local economies. Changing conditions of the resource base, production functions of cash and for-use goods, and changing prices will all affect the ability of the household to maintain a balance between the two uses of money, for consumption and productive purposes.

Boeke (1953) suggested that the instability of markets and the typical economic organization of the village contribute not only to a chronic shortage of cash, but more generally, to an undermining of the self-sustaining capacity of the production unit. As needs for cash outstripped sources, households are increasingly forced to focus on immediate consumption to the detriment of maintenance, much less expansion, of the productive capacity of the household. This may foster shifts to cash-oriented activities at the expense of domestic activities (Boeke, 1953). It may focus attention on cash requirements for urgent consumption needs

rather than for the maintenance and development of the productive potential of the local economy.

### 2.3 Economic Organization.

2.3.1 Monetization and economic structure. Monetization of markets and economies is not neutral in its impact on economic organization. Money introduces a multifaceted individualism. It becomes the nexus of social relations which focuses on the individual's achievements, as distinct from the community's. Monetization tends to set money-making activities apart from other activities in the constellation of social activities. It tends to undermine traditional foci of community integration. It fosters a calculating rationality, one moreover which tends to reduce all qualities of things to their measure in money (Simmel, 1978, Chapter 4.III). These tendencies are strongest in a money economy. They will be exhibited, to a lesser degree, in the presence of market traffic; that is, where there is money trade but the price system has not become the coordinating principle of the economy. In money traffic, money is used primarily to obtain goods from external market economy. Consumption goods and producer goods are purchased for household and community well being. These uses of money will not necessarily generate in the local economy the social relations of production of capitalism.

The outcome of these tendencies cannot be deduced from a comparison of a band's initial conditions and the market and money economy of modern capitalism. There are many potential paths from the band economy to the modern monetized market economy.

The monetization of market patterns might induce changes in the prairie Indian economic organization such as:

- (1) changes in social relations of production, favoring individual production for market;
- (2) an increase in production for market relative to production for use;
- (3) a change in the sources of power, prestige and privilege toward activities which generate inflows of money.

More difficult to predict is the extent to which capitalist social relations take root in the local economy. Insofar as household-level, or multi-household level economic strategies are adopted, it is predicted that capital value of enterprises will remain small, and the typical capital-wage labour relationship of the capitalist market economy will be little developed within the Indian reserve setting.

2.3.2 Commodity Production Commodity production refers to production of goods for market exchange (Marx, n.d.[1890], p. 48). This encompasses a wide range of different types of economic organization, such as

capitalist commodity production, simple commodity production, petty commodity production and independent commodity production.

Capitalist commodity production is based on private ownership of the means of production by capitalist and wage labour performed by workers who own no means of production and whose source of livelihood is the sale of their labour power (Marx, n.d.[1890], pp. 164-166). Simple commodity production is a stylized description of pre-capitalist Europe: peasants and artisans were self-employed, hired no labour, and owned their own means of production. There was social division of labour, private ownership of the means of production and market exchange between agriculture and artisans, and among artisans (Amin, 1976, pp. 15, 21). Petty commodity production, when it is distinguished from simple commodity production, describes a producer like that in simple commodity production, except that the producer markets only a part, and typically a small part, of the product, the remainder destined for own-use. The portion produced for own-use by definition is not a commodity; hence only a part of production is commodity production. Independent commodity production describes those, like farmers and fishermen, who own and operate their own means of production within the framework of a capitalist economic system (Johnson, 1972).

Two varieties of analysis are available for dealing with simple and petty commodity production. One describes these frameworks primarily from the point of view of their interaction with capitalist commodity production. This approach is typical of the dependency (center-periphery) approach and some mode of production approaches described in the previous chapter. The other describes the economic organization of simple or petty commodity production in itself and in its relation to capitalist commodity production. The second approach is typical of dual and articulation of mode of production approaches.

The fact that both petty commodity production and simple commodity production have their principal connections with capitalism through market relationships may account for the emphasis placed on markets rather than economic organization by dependency theories. The center-periphery approach presents unequal exchange as the mechanism for transferring the surplus from petty producers to merchants and industrialists who are integrated into the capitalist economy. This approach highlights that both independent and petty commodity production depend for their existence upon a more or less well-developed market pattern with the capitalist market economy.

The weakness of this approach is that it pays little attention to the labour process and economic organization in

these economic settings. Dual and articulation of mode of production approaches, too, may focus on the mechanisms of articulation rather than on the characteristics of the non-capitalist economic organizations in themselves. Valuable insights may be gained by paying attention to "how processes *internal* to non-capitalist modes serve to further their own reproduction" (Long and Richardson, 1978, p.204). Focusing on exchange relationships - markets, redistribution, and reciprocity - may provide an incomplete picture of the factors influencing particular patterns of economic integration; that is, relationships among different household units.

Simple and petty commodity production economic organization is typically household-centered. Household-based production entails both for-market and not-for-market economic activities to meet household needs (Ross and Usher, 1986). Household-based petty commodity producers typically expand economic activities through diversification rather than specialization (Long and Richardson, 1978). This accounts for the significant number of multiple enterprise households, and the difficulties households often encounter in distinguishing between business and non-business activities (Beal, 1990). The resulting configuration of multiple petty commodity activities, organized through



households, creates a pattern of relationships within the local economy, and in connection with markets.

Capitalist social relations do not prevail in small-scale, household-based production units. Petty commodity production may work against the development of the capitalist relations. Petty commodity production sustains household-centered production, and a network of non-market distributive and redistributive mechanisms based on kinship and other factors in the community. Simple commodity production follows a logic of subsistence; capitalist commodity production, a logic of accumulation. The simple commodity producer retains some control over the productive organization. Household-centered petty commodity production may reinforce non-capital uses of money, and encourage the use of money primarily as a means to obtain necessary goods from the market economy to support or complement subsistence activities.

2.3.3. Production Functions. The production function relates resource inputs to outputs via a production process. It can be thought of as the book of possible blueprints of production processes for producing a good. The impact of production for market on the local Indian economic organization will depend, in part, on the relationship between the production functions of commodities produced for market and those produced for-use.

Tanner (1976) has shown that the dichotomy for-use/ for-exchange is not sufficient to define distinctive sets of technologies and relations of production (including property rights) among the Mistassini of Northern Quebec. Whereas Leacock (1954) had posited for-use and for-exchange production as different activities, Tanner found that the organization of production on the trapline involved simultaneous production of goods for-market and for-use. For-use and for-exchange products were seen to be a joint product of a single production process. In that case, market opportunities actually strengthened traditional economic organization.

The relationship among production functions in the for-use and for-market sectors may have a bearing on the degree to which capitalist production relations are introduced and gain dominance in a local economy. Boeke (1953) noted that different production functions for different crops were associated with differential impacts of capitalistic developments in different branches of agriculture and industry. He made the general observation that capitalistic business organization drove out the residual, small-scale village producer.

The volume of output may also influence economic organization. For example, high rates of output of buffalo robes for markets, associated with improved technology and

more accessible markets, fostered polygamy among the Blackfeet, since women were responsible for processing robes (Lewis, 1942). The volume of output can have devastating impacts, when the rate of resource depletion is excessive, as was the case with the buffalo in mid 19th century (Gordon, 1954; Smith, 1975; Spry, 1983).

In prairie agriculture, the production of crops for-use and for-exchange might be products of a single production process, for example, grain for use and for sale. But there may also be specialization - some products for market, others for domestic consumption. Then different technologies would be employed. Prairie agriculture after WWII, for example, saw the decline of the mixed farm in favor of mechanized mono-crop production for world markets. There is some evidence that these developments posed significant barriers to prairie Indian agriculture in the 1930s and 1940s (Buckley, 1971).

2.3.4 Taking root of capitalism. Petty commodity production and market exchange relations may reinforce rather than undermine the non-capitalist mode of production. The factors that determine the extent to which capitalist economic relations take root in local economies will not depend on the market per se (Rey, 1973). The creation of the capital-labour relation may not be fostered by household centered production. In that case, capitalism may smash up

the existing household-centered economic organization through economic or extra-economic measures, absorbing the remnants of that social formation within the dominant capitalist system (Foster-Carter, 1978).

Capital and labour may be seen as the personified expressions of the social relations of capitalist commodity production (Marx, 1959, p.830). In the transformation of non-capitalist to capitalist economies, capital formation is first and foremost the creation of this distinctive social relationship.

Boeke (1953) refers to an "aversion to capital, i.e., conscious dislike of investing capital and of the risks attending this." (p. 44) In Indonesian native economy, he observed a preference for a credit or putting out system. Market production was treated as supplementary to for-use production, with the result that output is unpredictable, unremunerative, and largely uncapitalized. Although effective in the early periods of industrial activity, Boeke argues that these characteristics are not conducive to development along capitalistic lines, which requires higher capitalization and operation along the lines of business principles.

Similar observations have been made with respect to native economies in Canada. The characteristics of household economy among the northern Ojibwa as described by Dunning

(1959, p. 175) suggest that capital goods were necessarily of value only in limited quantities.

The tendency, noted above, toward diversification in multiple enterprises discourages high levels of a given amount of household capital in any single line of endeavor. Households may operate a set of complementary enterprises, so spreading and reducing risk. These activities may be limited by the resource base, by seasonal conditions, or other factors. The multiple enterprise household is characteristic of local Indian economies in Saskatchewan (Beal, 1990).

Three complementary explanations can be offered for low levels of capitalization of enterprise and production activities in Indian economies: low monetary rates of return; tendencies toward conservation of household-centred social relations; and more urgent alternative uses of scarce money resources than capital investment. Taken together, they imply a strong aversion to capital investment in local reserve economies.

The first is that multiple-enterprise households are likely to earn below market rates of return in each line of investment. Part-time, low output activities yield a low return because of underutilization of capital. When capital is used jointly in the production of goods for-use and for-market, even high utilization may yield an uneconomical

return. The monetary return on the marketed output may not financially justify the investment, even though when the non-marketed product is included the social rate of return of the capital is at the market rate or above.

The second explanation is that successful capital investment will alter social relations of production in the community. The household would cease to be the basic economic unit. Households are not run on business principles. Family and community obligations figure large in Indian communities. Household-centered economy and non-economic relations among people in the community may create an effective block to successful capitalist enterprise in the interests of conserving existing, valued social relations.

The third explanation is that the use of scarce money resources for current requirements may be more highly valued than equipment-acquisition uses. In Keynesian terms, the liquidity premium of money may be so high that no one can be induced to give it up in favor of capital investment (Keynes, 1936, pp. 239-240). Moreover, this high liquidity premium may lead to a willingness to liquidate or alienate lands, to use investment funds for current expenses rather than for the purchase of capital goods and maintenance of inventories, and to a labour market in which the supply of labour is relatively inelastic in wages and prices (and

wages are low) since labour is supplied in order to obtain sufficient money to meet the requirements of household reproduction.

Taken together these factors suggest economic reasons for the failure of capitalism to take root in these local economies. These considerations may also help explain the continuing failure of government economic development programs.

2.3.5 Wage-labour activity. Capital necessarily implies wage labour. Money and markets have not, in general, facilitated the accumulation of capital and the taking root of capitalistic relations of production in local Indian economies. As a result, capitalist labour relations are little developed in local Indian economies. Non-market allocation methods are often observed in the distribution of jobs in these communities.

In the previous chapter, literature was cited to the effect that the appropriate characterization of the Indian populations today is as a reserve army in the capitalist economy. There is considerable merit to this view. At issue is the extent to which this constitutes an encompassing description of the Indian population; and if so, under what conditions this army is mobilized.

For Watkins (1977a), integration into the capitalist economy is a given. He refers to the aboriginal populations

as "reduced to the status of an underclass or lumpenproletariat." (p. 90) Elias (1975) refers to "a totally pauperized class" and a "state-supported class." (p. 8). The extent of impoverishment among Indians today lends support to such characterizations.

However, those characterizations include more than a description of impoverishment. They also include a description of the place of the aboriginal populations in the capitalist system; Indians are projected into capitalist class relations. The low attachment to the labour force which accompanies the status of reserve army may, in some cases, support a distance from rather than an integration into, capitalist class relations. That is the more likely to be true the smaller the importance of wage labour as a source of livelihood and as a source of currency.

Migration to the cities will increasingly draw this group into the active reserve army, and even into the regular labour force. This has been a major thrust of the modernization approach to economic development. Policy measures to foster urban migration were proposed by Hawthorne (1966). Many training programs are geared to migration from reserve to the cities, and to fostering stronger attachments to the labour force.

For the present study, wage-labour activity is considered from the point of view of its role for the



producing household, rather than its role in the capitalist system. Wage-labour is considered as part of a household reproduction strategy for obtaining needed money resources, partly through wage-labour, partly through entitlements, and partly through production for market. The types of wage-labour activities of households will be varied. The extent of wage-labour activities will depend, in part, on the availability of those opportunities, and, in part, on the availability of alternatives to wage-labour. Low responsiveness of wage-labour supply to wage and price changes may arise because of the supplementary character of labour activity and the high importance of money (Boeke, 1953).

2.4 Power, privilege and money. The concepts of brokerage (Long, 1975), intermediaries (Silverman, 1965) and interested parties (Lithman, 1983) refer to the social positions which "stand guard over the crucial junctures or synapses or relationships which connect the local system to the larger system" (Wolf, 1956, p. 1075). Those occupying such positions may belong to either system. To qualify for this role, individuals or groups must be placed to control the two-way flow of resources between systems. At different times, Indian agents and Chiefs and Councils may play the broker role. Brokers may manage both market and political

channels of resource flows. Other intermediaries include commodity producers who provide access to market channels.

Those who fill the roles of brokers and intermediaries may change over time. The change in the relative importance of the two principal sources of cash resources - markets and negotiated political entitlements - may change the relative importance of social positions of, for example, politicians and producers. Within the market channels, changes in the relative importance of different goods may change the relative importance of different producers. In many northern communities, for example, the considerable production of furs harvested by traditional production techniques may reinforce the prestige and value of traditional members of the community. ?

In communities where market access depends on the production of new commodities with new techniques, such as prairie Indian agriculture, greater importance may attach to success in agricultural production. This will tend to move the locus of prestige, authority, etc. from individuals specialized in traditional pursuits to those engaged in the new pursuits. Then the growth of the cash nexus may be associated with decline in traditional authority, and social disintegration (Dunning, 1959).

Where successful production activity depends on access to resources (such as capital goods) from governments,

political brokers may become important. Where a large portion of the money resources of the community flow from negotiated entitlements, intermediaries in political positions may become especially important. This is the situation found in many reserve communities, where the preponderance of cash resources flow through Chief and Council, with few resources flowing from production activities.

The operative principles in the political sphere are different than those in the market sphere. This is true both for the means of accessing resources and for allocating them. In the political sphere, there is an emphasis on treaty rights and entitlements in accessing funds, and an emphasis on equitable distribution according to principles of fair shares, taking turns, and the like. In accessing markets, producers must be responsive to the signals of the price system both in acquiring resources and using them successfully. Where access to resources for economic activities is brokered politically, there may be a divergence between the political requirements which brokers must fill for their constituents, and the economic requirements of successful enterprise (Lithman, 1983).

2.5 The Resource Base and Regional Variations. Economic strategies adopted by local communities will vary in spatial and temporal dimensions. The resource base and market

accessibility will influence the strategy adopted and its success.

The situation of northern Indian bands who sustained a hunting and trapping economy well into the twentieth century and down to the present day was dramatically different than that of the plains Indians who experienced the sudden and total collapse of the buffalo resource. The decline of the subsistence resource base led to increased reliance on cash sources. The collapse of the resource base meant that access to money depended on the development of different activities, such as agriculture. By the time of the signing of the first numbered treaties in western Canada, quite different economies had emerged for the plains Cree as opposed to woodland Cree and more northern Indian groups.

Northern bands had more restricted access to markets than plains Indian bands in the grain belt. Dunning's (1964) study stressed the importance of proximity to the larger system's influence. He proposed a distinction between two stylized polar types of Indian reserve communities: the northern and the southern reserve community. The northern community was described as remote and isolated; indigenous social structures and norms continued to function; traditional sanctions were maintained; there was limited acculturation to language and culture of the dominant society; and the local economy was bolstered by subsidies,

facilitating some selective adoption of external norms. The southern reserve community, or "contact society", has had long term association with the national economy and way of life. The dismal economic status of southern reserve communities, despite long contact, implied, to Dunning, part-membership in Canadian society in a "general economic pattern of a marginal economy and one which is completely dependent upon the national economy." (1964, p. 27) Nonetheless, these communities maintained a social homogeneity through negative ascription of educational attainment and employment status.

Frank Tough (1987) described regional variations in income composition of Indians between 1896 and 1930. Three regional economies were identified - Manitowpah, Lake Winnipeg and the Pas. He analyzed the importance of the regional differences in income sources - agriculture, hunting, fishing, wages and 'other'. For example, in the Manitowpah region, hunting and fishing were small compared to agriculture. In the Pas, hunting was the most important income component. In the Lake Winnipeg region, hunting was also important for most years, although fishing played an important role for a brief period before 1900.

Inter-temporal development patterns can be illustrated by Lithman's account of one southern Manitoba reserve community (Lithman, 1984). Lithman identified four major

periods: the fur trade period, early reserve period (1871-1926), the wage and seasonal work period (1920s-mid-1960s); and the local government period (mid-1960s-present). Agriculture was developed in the early twentieth century while fishing and hunting, both for-use and for-market continued. Subsistence and market farming provided a standard of living comparable to that of their farming neighbors, and a living sometimes less vulnerable to market conditions. Lithman reported that the members of this Band weathered the depression comparatively well, with the greatest difficulties falling on those who had relied more upon wage work than upon agriculture. After a period of wartime prosperity, the community faced economic decline in the 1940s and early 1950s. The local government period was characterized particularly by the growth of welfare and other cash payments which developed since the end of World War II, and the greatly increased volume of funds in the hands of Bands to provide publicly-funded employment and deliver programs such as housing, social assistance, and education.

In its general features, this is similar to a chronology presented by Wien (1986) on the MicMac in Nova Scotia. His chronology reflected the different timing of resource depletion and adaptation to the local economy in Nova Scotia as compared to Manitoba. However, that chronology from 1867

on closely resembles the chronology provided by Lithman for a Manitoba band. The periods distinguished in MicMac economic history include: (1) contact and the fur trade (1500-1783); (2) MicMac in a Settler Economy (1784-1867); (3) labour in the industrial economy (1868 to 1940); and centralization, welfare and government dependence (1941 to present). The period from 1880 to 1900 showed a considerable growth of agriculture; from 1900 to the 1920s, although land under cultivation diminished, agriculture continued to flourish. But after World War I, and especially in the later 1920s, migration for seasonal agricultural labour developed. By the time of World War I, the MicMac also increased their participation in the industrial economy. From 1900 on, wages were the largest component of Indian income (more than 40% from 1905 on), with hunting and fishing of small and declining importance. Until 1940, agriculture and other income each made up 20 to 30 percent of total income. After 1940, wages rose and agriculture and other sources declined. After World War II, MicMac economic opportunities declined, and the government increasingly intervened in MicMac affairs, relocating them to more centralized communities, introducing welfare payments and creating publicly funded employment directly and through local Band government. There is a complex relationship between the cash and domestic sectors and between

technological and economic factors: these differentially affected Indian people in different parts of the province.

In Saskatchewan, it is expected that local Indian economies will also show distinctive regional and inter-temporal differences. These changes will be due in part to, and will in turn have an impact on, the economic strategies of local Indian communities.

2.6 Government Policy. The policy and program environment of the federal government departments has had an important impact on reserve economic activity and on the size, composition, and ultimately, the uses of cash resources in Indian communities. Today, welfare, pensions, family allowances and other transfers go to individual households, serving to increase individual over group orientation, introduce invidious distinctions, break down traditional status and authority positions, introduce social disorganization, and undermine traditional rules of redistribution and reciprocity (Asch, 1982; Dunning, 1959). Governments have frequently made the right to obtain government services or transfer payments contingent on meeting certain residence requirements - such as moving to a new settlement - or other institutional requirements - such as ensuring that children attend school - which have often had negative impacts on the ability of individuals and households to pursue traditional, for-use, economic



activities (Asch, 1982; Frideres, 1983). The paternalism of the government has been unmistakable in such actions as involuntary relocation of communities because the government decided that trapping was no longer viable (Asch, 1982).

Government policies and programs have commonly been characterized as reflecting a paternalistic government agenda geared to Indian socio-economic integration or assimilation (Frideres, 1983). Measures have been adopted to foster migration to cities, promote job training for participation in labour markets, and encourage capitalistic enterprise in reserve communities. Some paternalistic initiatives blocked Indian participation in the capitalist economy, such as restrictions on marketing of Indian agricultural products and on capitalizing agricultural activities.

2.7 Methods and Sources. The approach outlined above provides a framework for examining the relationship between local systems and the larger, capitalist system. This study investigates Indian reserve economic development on reserves in what is present-day Saskatchewan from the signing of treaties to the 1930s. The issues of markets, money, government regulation of access to cash opportunities, local economic organization and government policy are examined.

This permits in-depth examination of reserve economic development within fairly narrow temporal and spatial

limits. A higher level of generality is adopted than in a local reserve history or family history. A lower level of generality is adopted than the wider geographical dimensions which would encompass northern bands.

Northern bands do not lend themselves to reserve-level studies across the same time period as southern Saskatchewan. Northern Indian residents did not settle on reserves until well into the twentieth century, and even then were able to maintain a traditional hunting and trapping lifestyle to a greater degree than southern bands.

Data considerations are important for framing the present study. Until 1896, considerable detail was published on a reserve basis by the Department in its Annual Reports. After 1896, data was increasingly aggregated at the Agency level. Indian Agencies were multi-reserve administrative sub-divisions of the Department. In the area of present-day Saskatchewan, ten agencies operated over most the period of this study. As more northern bands were included in Treaties and as they began to come under the administration of the Department, the composition of central and northern agencies changed somewhat. After the creation of the province of Saskatchewan in 1905, some agencies were altered to reflect provincial boundaries. This affected bands such as those at Cumberland House, Shoal Lake and Red Earth.

The 1930s mark a watershed in data availability. By 1940, the Department ceased to provide detailed data on sources and incomes of Indians by province. Data at the Agency level was no longer published by the mid-1930s. Even by 1917, some data was being reported less fully than in previous decades.

After 1940, both the need for and the possibility of using other research methods, such as oral histories, are greater. The focus on southern Saskatchewan also reflects, in part, the better availability and quality of statistical information on southern reserves.

Also after 1940, there were significant changes in the government's policy regime, particularly with respect to the inclusion of Indians in several cash entitlement programs which were introduced after WWII, such as old age security and family allowances. In 1959-1960, social assistance began to be paid in cash rather than through rations. The economic setting also changed significantly, as prairie agriculture became more mechanized and operators worked a larger land base.

Framing the research topic in this way excludes several potentially fruitful areas of inquiry. For one, comparisons and contrasts between the economic organization, market activity and cash orientation between northern and southern bands are not be made. For another, the changes in economic

organization, market activity and cash orientation before and after World War are not examined in depth. The post-1940 period was one in which monies flowed into communities increasingly as a result of government entitlement programs rather than through economic activities. By the late 1960s, Band governments increasingly became the brokers for those entitlement flows. These are topics for future research.

The main sources of data for this study are published government reports and archival records. The primary sources of narrative data are Annual Reports of the Department of Indian Affairs and the records of the Department in the Public Archives of Canada. Other narrative sources include biographies and stories about and by Indian people in Saskatchewan.

The two principal sources of statistical data are the statistical appendices of the annual reports of the Department of Indian Affairs and the annual reports of the Auditor General. The data provided in these reports includes: population, grain and other crop production; land, buildings and property; agricultural implements, tools, vehicles, and household and general effects; numbers of livestock and poultry; sources and value of incomes of Indians; and the value of real and personal property. This data is provided at the agency level from 1896 through 1932

for all data series. After 1932, agency breakdowns are provided only for agricultural statistics.

Indian agents were expected to provide detailed reports on these matters each year. No information has been found on how the data was collected or reported. It is assumed that this data provides a reasonably accurate picture in most instances. Agents could report only on matters which came under their scrutiny. Income earned through selling products clandestinely would not have come under the scrutiny of the agent.

The data appears least reliable for the Ile a la Crosse District. Often, the same figures were published year after year without change. The data is also subject to change as different bands are counted in or out in different years. Ile a la Crosse District included the northernmost part of the province. Most Indians in the north continued to pursue a hunting and trapping livelihood through much of inter-war period. Little confidence can be placed in the data for Ile a la Crosse. As a result, calculations are often presented excluding the Ile a la Crosse District.

The annual reports from 1896 on usually have a year end of March 31; some have a year end of June 30. Throughout the study, the year to which Indian data refers is the fiscal year end. Usually, nine months of the data are from the previous calendar year. Data pertaining to acreage sown and

crops harvested refer to the previous crop year. This is taken into account when Indian crop yields are compared with provincial yields. Saskatchewan wheat crop reports on price, production and yield take a crop year commencing September 1 (1908-1909 to 1923-24) or August 1 (1924-25 to the present). Fall harvests fall within the same reporting year in Saskatchewan crop reports and Indian Affairs annual reports. When the sources and value of Indian incomes are deflated by a price index, the data for the annual report year is adjusted by the index number for the previous year.

Population data is reported on an annual basis in Department reports through 1917. Thereafter, population data is reported in census years 1924, 1929, 1934, 1939 and 1946. Population data is reported on the multi-band, agency basis, through 1934. In 1939 and 1946, only provincial recapitulations are published. Up to 1917, population data is reported at the band level. Estimates of Indian population for inter-censal years between 1917 and 1946 are made by extrapolating on the basis of a constant annual rate of change in the intercensal periods. These extrapolated calculations are used as reasonable approximations for data aggregated at the provincial level. However, no attempt has been made to estimate inter-censal populations at the agency level. Some populations are small, single-reserve, agencies sometimes numbering fewer than one hundred persons. As a

result, the data on per capita value of incomes by agency is presented for the census years only.

Detailed information on the number of persons receiving annuity payments are provided in the Auditor General's reports each year. However, these figures are not used to estimate reserve populations. Some annuitants live off-reserve or on other reserves than those of which they are members, and some reserves have non-Band members resident on reserves.

Two sets of money values were regularly reported: source and value of income and value of real and personal property. The report on the source and value of incomes distinguished between such sources as earnings from agricultural products, from wages, from fishing, from hunting and trapping, from land rentals, timber and mining rentals, annuities and interest, and miscellaneous manufactures.

There is an element of valuation of for-use production, namely cattle for own consumption. For several years, value of food obtained by fishing and hunting and trapping is also estimated. There is insufficient information to distinguish between the own-consumption and marketed portions of these series. Moreover, the basis upon which this estimate of the value of own-consumption is derived is not reported; it is

presumed that current market values are attached to estimated volumes.

It is more troublesome to know how to treat the estimates of real and personal property of Indians. There is no information available concerning how these estimates are arrived at or how they changed as prices changed. Nor is there any indication of whether depreciation is taken into account.

It is desirable to deflate incomes by some price index in order to examine changes in real incomes. There is no single series covering the entire period from 1870 to the 1930s. General price indices, such as the GNP implicit price deflator, will tend not to take into account the specific bundle of goods and prices facing Indians in the various agencies in Saskatchewan. Indeed, the consumer price index, or various retail price indices, which become available after 1926, will not meet this local need. Primary data from vendor price lists could conceivably be used to construct local price indices.

For the present study, Green and Urquhart's implicit price index (1900=100) has been used through 1926. After 1926, the gross national expenditure implicit price index in Urquhart and Buckley (1965) has been used, with the 1949 base adjusted to a 1900 base using the overlapping 1926 data of Green and Urquhart and Urquhart and Buckley. This



procedure is undoubtedly inaccurate in many respects. The composition of the gross national expenditure is widely different between the two time periods. The method of deriving the implicit price indices undoubtedly differ. Therefore, these are used only to provide a rough measure of real purchasing power of incomes, especially over the period from 1914 to 1932 when prices went through several wide swings associated with the business cycle. Some correction taking into account general price movements is preferable to using only current income data.

A variety of measures of agricultural activity are examined, including acres under cultivation, harvest data and number of livestock of different kinds. Land and crop statistics reported in the Indian Affairs statistical appendices include: acres under cultivation, acres sown to wheat, oats, potatoes and other crops, bushels of grains and roots harvested, tons of fodder harvested among others.

In addition, data is presented on the equipping of Indian agriculture. Data is provided on the numbers of pieces of clearing and seeding equipment (ploughs, seed drills, harrows, etc.), on the number of pieces of harvesting equipment (reapers, threshers, binders, etc.), on the number of conveyances (carts, wagons, vehicles, including automobiles), and the number of implements and tools.

Information is also provided on other means of production such as steel traps, nets, tents, rifles and shotguns, and the like, on an Agency basis.

Finally data is provided on the numbers of horses (stallions, mares and foals), cattle (bulls, steers and working oxen, milk cows, and young stock), poultry, and the like. Some animals, such as milk cows are used primarily to produce for own-consumption. Others are work animals. Some, like young stock, are raised for market, to be sold at two or three years of age.

Another published data series used in the present study is that of government expenditures. Annual reports of the Department of Indian Affairs group the appropriations on Manitoba, Saskatchewan, Alberta and the Northwest Territories under a single heading until 1921. In order to obtain information at the Saskatchewan level, the Auditor General's reports have been used. These provide a breakdown of expenditures by agency.

Different reporting methods were adopted over the years. For example, prior to 1913, hospital, medical and related expenditures were not reported at the agency level, but were so reported thereafter. Prior to 1913, education expenditures are listed by agency, but not thereafter. Moreover, the Battlefords, Qu'Appelle and Regina Industrial Schools are not reported as expenditures under any agency,

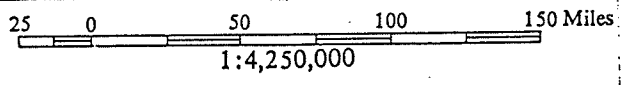
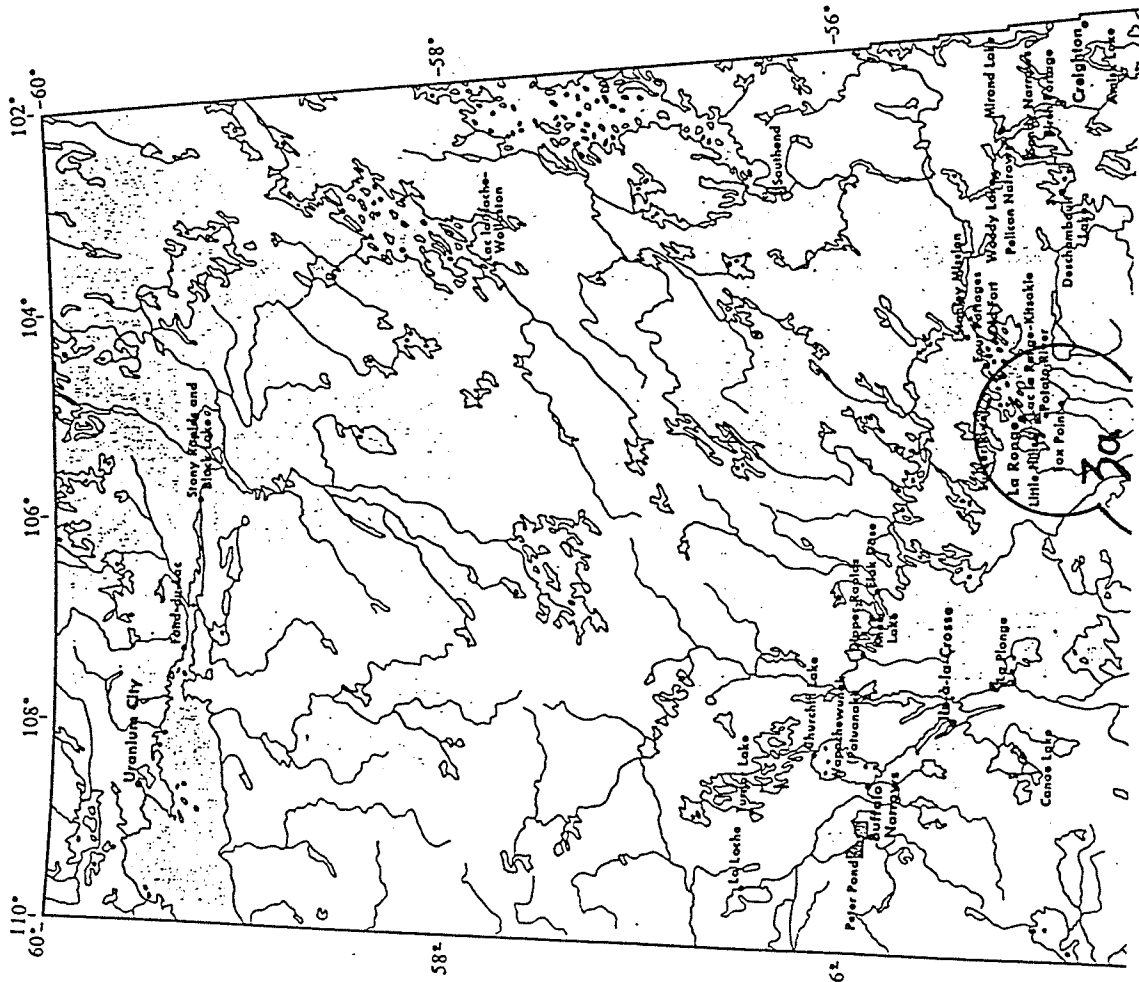
although they are clearly expenditures in the province. Annuities are reported as an expenditure by agency prior to 1913, but not as a source of income of Indians, while after 1913, they are no longer reported as an expenditure in the Auditor general's summary tables, but are reported as sources of income by agency in the Department's statistical appendices.

By using the detailed presentations in the Auditor General's report, some series, such as education, medical and annuity expenditures have been reconstructed to provide a consistent year-to-year representation of total Departmental expenditures in Saskatchewan. Annuities on an agency basis are reported as government expenditures, although they are compiled separately from other Department expenditures.

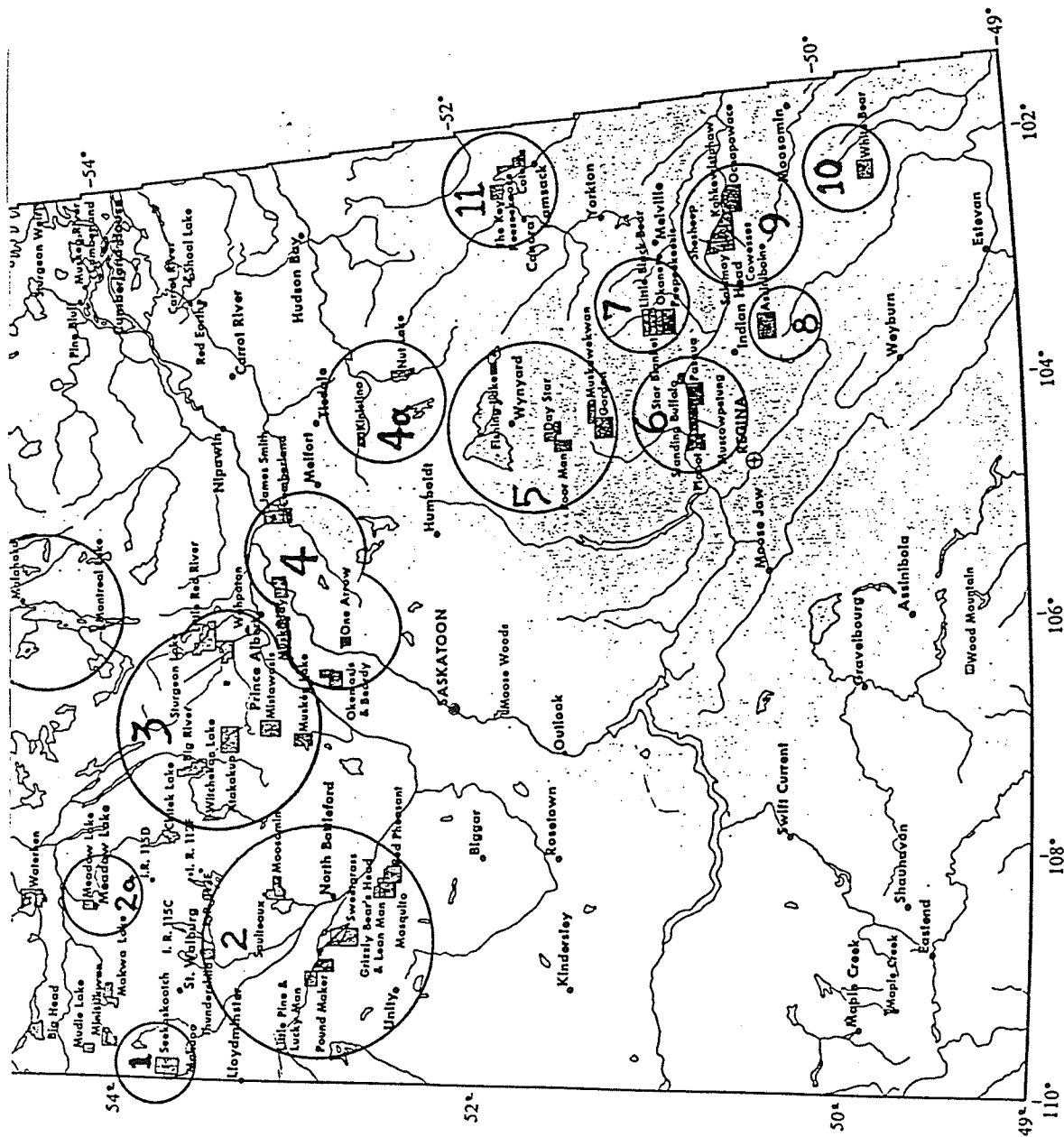
The main categories of government expenditures through 1931 are: annuity payments, implements and tools, garden and field seeds, livestock, supplies for destitute Indians, medical expenditures, general expenditure. Education expenditures are reconstructed from separate schedules on industrial schools, residential schools and day schools.

The map on the following page shows the location of Indian reserves in Saskatchewan (excluding some very small reserve areas). Indian reserves were grouped into administrative agencies or districts by the Department of

### SASKATCHEWAN INDIAN AGENCIES



SASKATCHEWAN INDIAN AGENCIES\*



\* Map of reserves source: Richards and Fung, 1969. Reserves by Agency from Annual Reports, Department of Indian Affairs.

Indian Affairs. The agencies and associated reserves are listed below. The numbers assigned to agencies correspond to the numbers identifying districts on the map. Variations in agency and district composition were limited to northern reserves and to consolidation of File Hills and Muscowpetung's into Qu'Appelle agency. In 1896, Meadow Lake (#2a on the map) was included in Carlton agency (#3); in 1910, it was included in Battleford agency. James Roberts (Lac La Ronge) and William Charles (Montreal Lake) (#3a) were included in Duck Lake agency in 1896 and in Carlton agency in 1910. In 1896 Nut Lake and Kinistino (4a) were included in Yellow Quill reserve in Touchwood Hills agency (#5); in 1910, they were included in Duck Lake agency (#4).

Treaty Five reserves in the east-central part of the province - Cumberland House, Shoal Lake and Red Earth were not counted among Saskatchewan agencies, and are excluded from the data here. Peter Ballantyne band was included intermittently in the data; it has been excluded from consideration here. The most northern Dene bands, at Wollaston Lake, Stony Rapids and Fond du Lac are also excluded from the data analysed in this study.

Single-reserve agencies included: Onion Lake (#1); Assiniboine (#8); Moose Mountain (#10). Wood Mountain reserve (south central Saskatchewan; not noted on map) was

also a single reserve agency in the later part of this study.

The data has been adjusted to per capita measures in many instances to control for the occasional shifts in Agency composition. The research results are described in the ensuing chapters.

**INDIAN AGENCIES IN SASKATCHEWAN, 1896 and 1910**

In 1896	In 1910
<b>1. Onion Lake</b>	<b>1. Onion Lake</b>
Seekaskootch	Seekaskootch
<b>2. Battleford</b>	<b>2. Battleford</b>
Mosquito	Mosquito
Bear's Head	Bear's Head
Lean Man	Lean Man
Red Pheasant	Red Pheasant
Sweet Grass	Sweet Grass
Poundmaker	Poundmaker
Little Pine and Lucky Man	Little Pine and Lucky Man
Moosomin	Moosomin
Thunderchild	Thunderchild
	<b>2a. Kapahwekenum (Meadow Lake)</b>
<b>3. Carlton</b>	<b>3. Carlton</b>
William Twatt (Sturgeon Lake)	William Twatt (Sturgeon Lake)
Petequakey (Muskeg Lake)	Petequakey (Muskeg Lake)
Mistawasis	Mistawasis
Ahtahkakoop	Ahtahkakoop
<b>2a. Kapahwekenum (Meadow Lake)</b>	Kenemotayoo (Stony and Whitefish Lakes)
Kenemotayoo (Stony and Whitefish Lakes)	Pelican Lake
Pelican Lake	Wahpeton (Sioux)
Wahpeton (Sioux)	<b>3a. James Roberts (Lac LaRonge)</b>
	<b>3a. William Charles (Montreal Lake)</b>
<b>4. Duck Lake</b>	<b>4. Duck Lake</b>
<b>3a. James Roberts (LaRonge)</b>	One Arrow

<b>3a.</b> William Charles (Montreal Lake)	Okemasis
One Arrow	Beardy
Okemasis	John Smith
Beardy	James Smith
John Smith (Muskoday)	<b>4a.</b> Nut Lake (Yellow Quill)
James Smith	
Cumberland No. 100 A	
Checastapasin	
<b>5. Touchwood Hills</b>	<b>5. Touchwood Hills</b>
Day Star	Day Star
Poorman	Poorman
Gordon's	Gordon's
Muscowequan	Muscowequan
Yellow Quill (Fishing Lake)	Fishing Lake
<b>6. Muscowpetung's</b>	<b>6&amp;7. Qu'Appelle</b>
Pasqua	Pasqua
Muscowpetung	Muscowpetung
Piapot	Piapot
Standing Buffalo (Sioux)	Standing Buffalo (Sioux)
<b>7. File Hills</b>	Little Black Bear
Little Black Bear	Star Blanket
Star Blanket	Okanese
Okanese	Peepeekisis
Peepeekisis	File Hills
<b>8. Assiniboine</b>	<b>8. Assiniboine</b>
Carry-the-Kettle (Assiniboine)	Carry-the Kettle (Assiniboine)
<b>9. Crooked Lake</b>	<b>9. Crooked Lake</b>
Ochapowace	Ochapowace
Kahkehistehaw	Kahkehistehaw
Cowesses	Cowesses
Sakimay	Sakimay (& Little Bone)
<b>10. Moose Mountain</b>	<b>10. Moose Mountain</b>
Pheasant Rump	White Bear
Striped Blanket	
White Bear	
<b>11. Pelly (Swan River)</b>	<b>11. Pelly</b>
Coté	Coté
Key	Key
Keeseekoose	Keeseekoose



## CHAPTER 3

### 1870-1885: FROM THE PLAINS TO RESERVES

3.1 The end of an era. The Canadian Plains Indian culture and economy which provided a stereotype for the image of the Indian in Euro-Canadian culture, lasted only a century from the third quarter of the 18th century to the third quarter of the nineteenth century (Milloy, 1988). It depended for its existence on the balance of three factors: the horse, the buffalo and the fur trade.

The horse appeared on the Canadian plains in the 18th century, first among the Blackfoot. Without horses in 1732, the Blackfoot had acquired them by the 1750s. They were owned as pack animals rather than mounts by the Assiniboine in 1755. The Cree had mounts by the 1770s. (Milloy, 1988, P. 24) The horse made feasible the move from the rivers to the prairies. Horses were obtained through trade at first (as with the Mandan-Hidatsa trading system), later through raiding. Possession of horses and success in obtaining them through raids and warfare were sources of prestige. European goods were also of key importance. Rifles, for example, served as goods to barter for horses, weapons for raiding parties, and tools of the buffalo hunt. The buffalo provided

for many needs of the domestic economy, and was an essential trade good giving access to European goods.

The Cree carried onto the Plains a long acquaintance with the fur trade. First as trappers, then as middlemen, the Cree had been involved with the trade from before the founding of the Hudson Bay Company in 1670 (Ray, 1978). By the mid-18th Century, the position of middleman in the fur trade was being undermined, first by the inland traders of the Northwest Company, then by the westward expansion of the Hudson Bay Company, which established its first inland post at Cumberland House in 1774.

The same expansion which undermined the middleman career opened another, that of provisioner to the inland trading system. The high cost of transport of provisions from Europe to supply the needs of posts, freighting crews, and trade demands prompted the HBC and the Northwest Company to develop domestic sourcing for provisions. In 1813, the Northwest Company utilized 58,995 pounds of pemmican for its inbound and outbound trade in the Cumberland House and Red River regions (Wallace, 1934). Provisioning the fur trade system with pemmican depended upon large quantities of buffalo. The Cree, Assiniboine, Metis buffalo hunters and in time, American hunters and traders in buffalo robes exacted a fatal toll on the buffalo. By 1850, somewhat more than half a century after the birth of the Plains Cree culture,

the buffalo resource was noticeably diminishing. The pressure was intensified by the buffalo robe trade, and the movement into the plains of woodland Cree who were faced with depleted stocks of fur and game.

The Cree attempted, unsuccessfully, to establish property rights over the resource, and to prevent hunting by Metis and non-Indian alike, while at the same time, undertaking an armed migration towards the West and the receding herds of buffalo (Milloy, 1988). By 1870, herds were noticeably scarce. Increasingly they were hunted for food, clothing and shelter, with only small amounts being supplied as provisions for the fur trade. By 1879, the buffalo was virtually gone. Sustenance depended on scanty small game and, in the end, provisions issued by the Department of the Interior.

The decline of the buffalo greatly diminished the means of access of Plains Indians to trade goods. The overtrapping and overhunting of fur bearers and game in the parklands, which was inspired by the competitive westward expansion of the trading posts, ended in curtailed access to European trade goods for woodland Cree as well.

These three variables - horse, buffalo, and trade goods - which had made Canadian plains Indian life possible, now interacted to destroy the century-old lifeway of the plains

Indians, and to challenge the older lifeways of the woodland Indians.

Another factor entered the equation in 1870: a new administration in the northwest. The Hudson Bay Company faced a number of problems, including intense competition, labour supply shortages, and a threatened buffalo supply. It had long ceased to hold its monopoly over the trade, and could no longer provide an administration which kept abreast of settlement and the diverse interests from missionaries to American whiskey traders who traveled through Indian country. The readiness of the Bay to cede its lands met a willing buyer in the newly established Dominion of Canada, which was committed to the construction of the transcontinental railroad as a constitutional obligation to British Columbia, and to the settlement of the lands between the Lake of the Woods and the Rocky Mountains.

3.2 New administration. Several years of negotiations between the newly established Dominion of Canada and the Hudson Bay Company were capped on July 15, 1870 with the admission of Rupert's Land and the Northwest Territories to the Dominion. The terms of acquisition of these territories are well-known. The Hudson Bay Company received £300,000 sterling; retained the posts that it occupied or which it would occupy within the next twelve months; obtained the right to select within twelve months of its surrender of the

Territories a block of land adjoining each post; and gained the right, for fifty years after surrender, to claim 1/20 - five percent - of the land in the so-called fertile belt. The fertile belt included the land between the United States border in the South, the North Saskatchewan River in the North, the Rocky Mountains in the west, and Lake Winnipeg, Lake of the Woods and their connecting waters in the east.

In anticipation of assuming the administration of the Northwest, the government appointed William McDougall Lieutenant Governor of the Northwest Territories in 1869. He was dispatched to the Territories by E.A. Meredith, Secretary of State for the provinces on September 28, 1869 with instructions to establish a council and to report on many matters affecting the future administration of the Territories. Meredith instructed MacDougall to enlist only two people to the council: the Governor of the Hudson Bay Company and the Chief Judicial Officer of the Hudson Bay Company. The matters on which he was requested to report included: the state of law and administration of justice, systems of taxation and business licensing, the state of Indian tribes, the number of H.B.C. officers employed in the administration of the territories, and also "the nature and amount of the currency of circulating medium now employed in the Territories and of the probable requirements of the Territories in that respect in the future" (AR, 1869, pp.

153-154). MacDougall never assumed his post, being prevented from entering the Territories by the provisional council established at Red River.

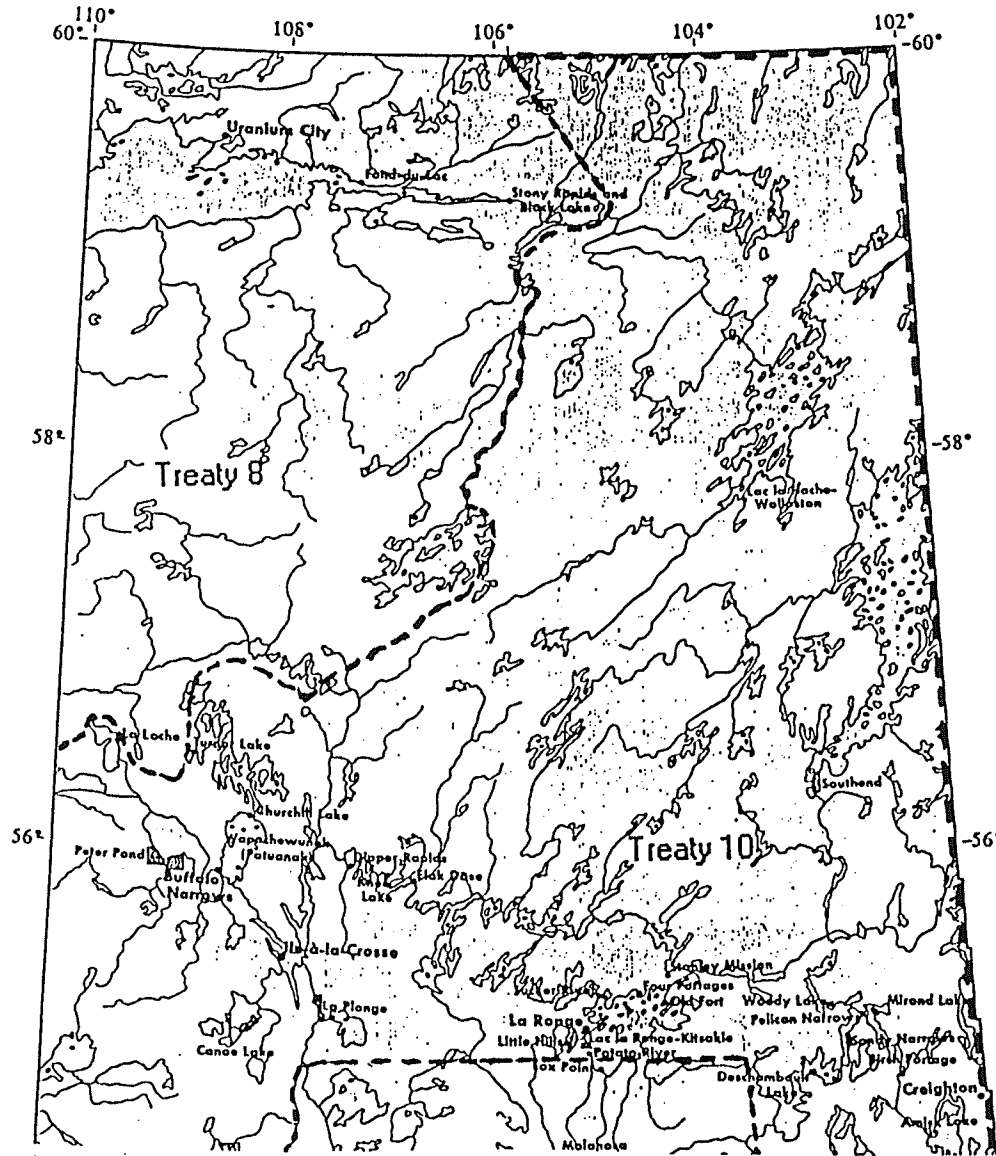
Then A.G. Archibald was appointed Lieutenant Governor of Manitoba and the North West Territories on August 4, 1870. He was charged to report on the same questions as MacDougall. However, Archibald never did report on the matter of currency and circulating medium. He did report, however, that the Indians were in a "state of considerable excitement" over the fact that the Hudson Bay Company, and not they, had been "treated with" for the territories (AR, 1870, p. 11). This grievance would be heard again and again at Treaty negotiations over the next half dozen years. The government had reason to seek treaties with the Indians to clear the way for settlement, for the railway, and for the establishment of Canadian administrative jurisdiction over the territories. For their part, the Indians expected treaties to be made in order to receive compensation for the use of their lands. The opening up of the Territories involved the movement of teams of workers and professionals across Indian lands, such as the Boundary Commission, telegraph linesmen, and railway workers (AR, 1872, pp. 12-13; AR, 1876, p. 1).

The new administration established organs and institutions of political administration in the Northwest.

The joint international boundary commission demarcated the U.S.-Canada border line between 1872 and 1876. The Northwest Mounted Police was established in 1873. The Northwest Territories Act of 1875 established territorial legislative authority. The settlement and future economic development of the Northwest depended on securing the surrender of the vast tracts of tribal lands of the Northwest, particularly in the fertile belt. This would be followed by the settling of Indians on lands set aside as reserves.

3.3 The numbered treaties. Between 1871 and 1877, the lands from the Lake of the Woods to the Rocky Mountains were ceded by treaties between the various Indian nations and the government of Canada. The adhesion of Big Bear to Treaty 6 in 1884 completed the process in the southern part of the Territories. In 1889, adhesions to Treaty 6 were made by James Roberts Band (Lac La Ronge area) and William Charles (Montreal Lake). In 1899, Treaty 8 was concluded covering the region north of Edmonton into the Yukon, including the Northwest corner of Saskatchewan. In 1906, Treaty 10 was concluded, covering a large area of northern Saskatchewan. Northern treaties did not become a pressing issue until later. Northern hunters and trappers were able to continue their traditional lifestyle. There was no compelling interest encouraging the government to extend its administration into the north.

25  
0  
50  
100  
150 Miles  
1:4,250,000



TREATY AREAS IN SASKATCHEWAN



\* Map of reserves source: Richards and Fung, 1969. Treaty areas from Indian and Northern Affairs Canada.



TREATY AREAS IN SASKATCHEWAN\*

Treaties 1, 2 and 3 covered from the Lake of the Woods area to areas west and north of the Manitoba nucleus, where immediate settlement and expansion were expected. Treaty 5 covered the vicinities of Lake Winnipeg, the Pas and Cumberland House.

The fertile belt in present day Saskatchewan was encompassed by Treaties 4 and 6. Treaty 4 covered southern Saskatchewan to Fort Walsh in Cypress Hills. Treaty 6 covered central Saskatchewan and Alberta. Treaty 7, concluded with the Blackfoot, Blood, Piegan, and Stony Indians completed the treaty process to the Rocky Mountains. (The map on pages 114-115 shows treaty areas in Saskatchewan.)

Treaties 1,2,3 and 5 were signed in expectation of immediate settlement and occupation. Treaty 2 cleared the way for improved rail and road transportation from the lakehead to the Red River Settlement. Treaty 1 cleared Indian Title in the immediate area of the newly created province of Manitoba. Treaty 5 aimed to move Indians from the Lake Winnipeg area. That treaty's implication could be seen at once by the fact that the government declined a band's request to be moved to a better fishing site, because the proposed site was already set aside for occupation by a group from Iceland. Treaty 3 cleared the area more or less to the borders which Manitoba would occupy in 1881.

Under the terms of the treaties, the Indians ceded lands and made undertakings to "maintain peace and order" and to refrain from molesting settlers and other "bonafide persons." The government, for its part, offered immediate cash bonuses on the signing of treaties, and made undertakings to set aside reserve lands, provide agricultural and other economic assistance, pay annuities, and provide education and medical care. In treaties 1-7, school houses on reserves and/or teachers were promised. Treaty 6 is noteworthy for two provisions which do not appear in other treaties. One is for a medicine chest for the benefit of Indians; the second is for assistance in case of pestilence or famine. Government officials were critical of the latter clause, but the record of treaty negotiations shows that agreement likely could not have been obtained without such a provision, as the Indians were already anxious over the prospective disappearance of the buffalo, their livelihood. The money and other promises made by the government in treaties 1-7 are shown in Table 3.1.

In addition to the promises listed in Table 3.1, one other set of promises figured prominently in treaties 3-7, namely that the Indians would be able to hunt and fish as in the past, except on lands taken up for settlement or commercial activities. In treaty negotiations, Indians were assured that they would not be compelled to settle upon

reserves, but continue their hunting lifeways. This promise became moot in the fertile belt with the disappearance of the buffalo which made it impossible to continue to live by hunting.

The farm stock and equipment, tools, and other agricultural assistance promised were greater under Treaty 6 than Treaty 4 (see Table 3.2). Treaty 6 provided more than double the agricultural assistance in implements and stock, and promised provisions to support Indians while they began their agricultural efforts. The Indians at Treaty 6 negotiations, which took place two years after Treaty 4 had been concluded, anticipated the imminent end of the hunt, the necessity to settle upon the land, and the need for more generous provisions than offered in Treaty 4.

The treaty commissioners worked within guidelines provided by Ottawa, and the negotiation process typically involved a "take it or leave it" offer. In the case of treaties 1 and 2 the commissioners made "outside promises", promises above and beyond those contained within the treaty document itself. Complaints by Indians that the government had failed to live up to the outside promises eventually led to government recognition of the promises and settlement of the grievances.

Complaints that government had failed to live up to the letter and the spirit of the treaties emerged with respect

Table 3.1  
Government Promises: Treaties 1 Through 7

Treaty (Date)	Area	Money Promises		Land Promises	Other Promises	
		Once-for-all	Recurring		Once for All	Recurring
1 (1871)	Manitoba	\$3 per Indian	\$25 per chief. \$5 per Indian	160 acres per family of 5.	Farm stock and equipment. Buggy to each chief and headman.	Triennial clothing allowance for each chief and headman.
2 (1871)	Areas to north and west of "Manitoba"	\$3 per Indian	\$25 per chief. \$5 per Indian	160 acres per family of 5.	Farm stock and equipment. Buggy to each chief and headman.	Triennial clothing allowance for each chief and headman.
3 (1871)	Northwest Angle. (Lake of the Woods)	\$12 per Indian.	\$25 /chief \$15 /headman \$5/Indian	1 sq. mi. per family of 5.	farm stock and equipment. Tools. Seed. Flag and medal for each chief.	\$1000/year for ammunition and fishing twine. Triennial clothing.
4 (1874)	South Sask. Fertile belt.	\$25 per chief. \$15/headman. \$12/Indian	\$25/chief \$15/headman \$5/Indian	1 sq. mi. per family of 5.	powder and shot. blankets. tools. farm stock and equipment. coats for chiefs and headmen. Medals and flags for chiefs.	\$750/year for ammunition and twine. Triennial clothing.
5 (1875)	Lake Winnipeg, the Pas areas.	\$5/Indian	\$25/chief \$15/headman \$5/Indian	160 acres per family of 5, (except Fisher River, 100acres)	tools, farm stock and equipment. flag and medal for chiefs. \$500 for moving costs.	\$500/year for ammunition and twine. Triennial clothing.
6 (1876)	Central Sask. and Alberta	\$12/Indian	\$25/chief \$15/Headman \$5/Indian	1 sq. mi. per family of 5.	farm stock and equipment. seed. tools. flag, medal, horse and harness and wagon for each chief.	\$1500/year for ammunition and twine. \$1000/year for provisions in first three years. Assistance in case of pestilence or famine.
7 (1877)	Southern Alberta	\$12/Indian	\$25/chief \$15/headman \$5/Indian	1 sq mi. per family of 5, plus additional lands for Sarcee for 10 years.	farm stock and equipment. tools. seed. flag and medal for each chief. rifle for each chief and headman.	\$1/family/year for ammunition and twine, for those engaged in hunting and trapping. triennial clothing. spring provisions for several years.

Table 3.2  
Agriculture Assistance Promised Under Treaties 4 and 6

Treaty	Implements	Tools	Stock	Other
4 (1874)	<i>per family:</i> 2 hoes, 1 spade, 1 scythe, 1 axe. <i>per 10 families:</i> 1 plough, 2 harrows	<i>per band:</i> 1 chest carpenter's tools, 5 augers, 5 hammers, 1 cross-cut saw, 1 grindstone	<i>per band:</i> 1 yoke oxen, 1 bull, 4 cows	seed to plant land actually broken
6 (1876)	<i>per family:</i> 4 hoes, 2 spades, 2 scythes, 1 whetstone, 2 hay forks, 2 reaping hooks, 2 axes <i>per 3 families:</i> 1 plough, 1 harrow, <i>per band:</i> 1 handmill (when warranted)	<i>per band:</i> 1 chest carpenter's tools, 1 handsaw, 1 pit saw, files, 1 grindstone, 1 auger	<i>per band:</i> 4 oxen, 1 bull, 6 cows, 1 boar, 2 sows.	seed to plant land actually broken <i>per Chief:</i> 1 horse, harness and wagon. per District (Carlton, Fort Pitt): \$1,000/year for 3 years for provisions to assist in agriculture.

Source: Treaties 4 and 6.

Table 3.3  
Settlement of Indians on Reserve, 1881 and 1884

Whereabouts	1881				1883			
	Ty 4	Carlton	Battleford	Total	Ty 4	Carlton	Battleford	Total
On-reserve	1,704	1,092	1,139	3,935	5,202	1,791	3,613	10,606
Absent	4,399	562	2,683	7,644	533	17	70	620
Total	6,103	1,654	3,822	11,579	5,735	1,808	3,683	11,226

Source: Annual Reports of the Department of Indian Affairs, for the years ended 1881, 1883, and 1885.

to the enforcement of explicit terms as well as with the "outside promises". Some treaty 4 bands were persistent in seeking agricultural equipment and assistance which had been promised under treaty as a condition for being able to settle down, while the government insisted that settling down and beginning to cultivate the soil was the condition for the issuing of agricultural assistance (Carter, 1992).

A common demand put forward by the Indians was for an increase in the signing bonus and in the annuity. At the Qu'Appelle Lakes Treaty Four negotiations, Commissioners Christie and Dickieson report that Indian demands included a request for an increase in the annuity from \$5 to \$12 per head (Annual Report of the Department of the Interior, 1876). At Treaty 7, at the first year of annuity payments at Blackfoot Crossing, Lieutenant-Colonel McLeod reported that there was discontent over receiving a \$5 annuity rather than the \$12 signing bonus which had been given the year before (AR, 1878).

Lieutenant-Governor Morris' reports on Treaty 6 negotiations indicated that the Indians at each negotiating venue made demands beyond those offered by the government. At the Treaty 6 negotiations, Chief Poundmaker insisted that the monetary and technical assistance offered were completely inadequate. Morris reported that Pond Maker (sic) "did not see how they could feed and clothe their children

with what was promised." The spokesman for Chief Red Pheasant made demands such as "men to build houses for them, increased salaries to Chiefs and Headmen, &c. He said what was offered was too little..." (AR, 1876, p. lvii).

At both Treaty 4 and Treaty 6 negotiations, Indians expressed concerns about the Hudson's Bay Company, its operations in the Territories and the deal for the surrender of Bay lands to the government. Treaty Commissioners usually chose a Hudson Bay Post as a site for Treaty negotiations. In his report of October 17, 1874, on the negotiations on Treaty 4, Alexander Morris observed that the Indians expressed dissatisfaction about holding the negotiations on Hudson Bay Company lands.

The Indians felt that the money given to HBC ought to be given to them as the rightful owners of the lands, and that the government ought to have treated with the Indians, not the Bay for the lands. They also objected to the Bay traders leaving their posts to trade, and in one instance asked that they be given as a Reserve lands occupied by the HBC.

In 1875, when Dickieson went to the Touchwood Hills and Qu'Appelle Lakes to make treaty annuity payments, he found that the Indians objected to receiving their annuities on Hudson Bay Company lands. He discounted the complaints as inspired by traders who were competitors of the HBC. Dickieson wrote that the objection to being paid at the



Company's Reserve appeared to have "no real foundation, but was in all probability promoted and fostered by the traders, who thought that they would get more of their goods sold if payments were made at a distance from the company's post" (AR, 1876, p. xxxii).

On the occasion of annual treaty payments, Indians sometimes requested revisions to the treaties. These reflected, in part, knowledge of the terms on which other Indian bands had made treaty, and a claim to similar services. They also reflected, in part, a recognition of the inadequacy of the treaty terms to meet their needs. Both aspects can be seen in the demands made to Inspector Walsh, at Fort Walsh, Cypress Hills, in 1876.

Those demands by Treaty 4 Indians included a horse, harness and buggy for each headman, a promise which had just been sealed at the Treaty Six negotiations at Forts Carlton and Pitt to the north. They also demanded the right to import goods free of duty from the United States, where many Indians pursued the buffalo hunt, and blacksmith services. They also called for the prompt fulfillment of treaty promises, such as the provision of cattle and agricultural assistance.

The negotiating process entailed another dimension than the Indian-government negotiations. There were also intensive inter-tribal discussions among the Indians

gathered at the treaty-making sites. The drama of the treaty-making process unfolded in considerable part behind the scenes, in the Council tents of the Indians.

Once the treaty commissioners had explained the terms on which the treaty was being offered, the Indians would return to their camp to deliberate. These deliberations often involved disagreements and controversy. For example, in his 1874 report, Alexander Morris noted differences between the Cree and Saulteaux as to whether or not to accept the terms of Treaty Four. It appeared that the Saulteaux were particularly dissatisfied by the terms of Treaty, and attempted to convince the Cree to increase their demands.

At Treaty 6 matters were more serious. Morris encountered Assiniboine Indians who had travelled to Treaty 6 territory to encourage the Indians there to keep the treaty commissioners out of Indian country. *En route* to Fort Carlton, Chief Beardy insisted on treating at Duck Lake, and when Morris refused, Beardy refused to go to Fort Carlton. Morris then heard that Sweet Grass would not be attending Fort Pitt treaty talks. The reason given was that he was away hunting, but Morris also heard that Sweet Grass was of the opinion that his absence would impair any treaty agreement. Morris therefore dispatched a messenger requesting that Sweet Grass go to Fort Pitt. Sweet Grass complied. Big Bear did not bring his band in to Fort Pitt,

and on the grounds that he was unable to consult his people, he did not sign the treaty.

Tempers were running high among Indians at the Fort Carlton talks. At one point, the Assiniboine warriors surrounded the Cree tents, so that the Cree Chiefs could not make a separate deal. Morris intervened with the NWMP who escorted the chiefs to the negotiations. Then, he reports, once the Assiniboine saw that the Cree would sign, they also agreed to sign. Morris perceived that the head chiefs had difficulty in coming to terms because of "vague fears" and "dread" about the future. As a result, he was forced to make the agreement to provide provisions in the case of famine.

At Fort Pitt, too, he found that the Indians made "exorbitant demands". However, he secured the necessary signatures. The adhesion of Chief Beardy to the treaty was obtained on Morris' return trip. Big Bear was the last to sign, in 1884.

3.4 Settlement on Reserves. Selection of reserves and settlement on them was gradual. Many of those who took up residence on reserve did not immediately take up agricultural pursuits. Indians continued to pursue hunting as their principal livelihood. In 1876, David Laird, the Lieutenant Governor of the Northwest Territories and person in charge of the Northwest superintendency, noted that only two or three of the Bands in the Treaty 4 area had even

partially settled on reserves. Those who had settled on reserves "do not live by farming. All depend more or less, and the majority entirely, on the chase." (AR, 1877, p. 46).

By the end of 1878, 13 Bands in Treaty 4 and 22 in Treaty 6 were reported "settling and adapting to agriculture." Yet by 1881, as Table 3.3 shows, most Indians were reported absent from Reserves. About 28% of Treaty 4 Indians were reported on reserve; in Treaty 6, 66% of Carlton and 30% of Battleford district Indians were on reserve. In 1881, in Treaty 4, Piapot and Foremost Man's entire bands were absent. Only four Treaty 4 bands had their entire population settled on reserves. Twenty-one bands had members both on and absent from reserves. In 1880, eleven new bands settled on reserves in Treaty 4.

In 1881, six Treaty 6 bands had no members on a reserve, and seven bands had fully settled on reserves. In 1882, it was reported that 3,000-4,000 Indians joined reserves in the Treaty 4 area, but a year later, 3,000 left again for the plains.

By 1883, settlement on reserves was virtually complete. 91% of Treaty 4, 99% of Carlton District Indians and 98% of Battleford District Indians were counted as being on reserves. Three-quarters of those absent in Treaty 4 were from Foremost Man's Band; most of those absent in Treaty 6 were counted as stragglers, attached to no band. Many of

those were described by the Department as Half-breed Indians. Big Bear's band was counted as being "on reserve", although his band did not settle down until 1885. The transition to settled life was virtually complete by the end of 1883.

The factor pushing the Indians toward settlement was the starvation attendant on the collapse of the buffalo hunt after 1879. Pulling them was the promise of agricultural assistance and rations. The government introduced a policy of work for rations for the able-bodied, which required Indians to be settled on reserves and ready to work in order to receive provisions. The large-scale settlement on reserves after 1881 strained the ability of the government to find sufficient work for the able-bodied, especially given the inadequacy of agricultural implements promised under Treaty.

The government's lack of preparedness resulted from its failure to recognize and act in time on the depletion of the buffalo, despite concerns expressed by the Indians. As late as 1876, Dickieson expected that the buffalo might be preserved for as much as ten years, even though he acknowledged a rapid decrease in numbers had been noted, and that starvation had been reported among Blackfoot and others in the west. The government was aware that the Cree had expressed alarm about the decline of the buffalo both in the

Treaty 4 and Treaty 6 areas. Dickieson observed that once the buffalo disappeared, in no more than ten years, the Indians in the Northwest "will require to be fed and maintained principally at the expense of the Dominion Government." (AR, 1876, p. xxxvi). That prediction proved accurate, and it came true much sooner than the government expected. The government was ill-prepared to meet the emergency which arose in 1879.

In 1881, Dewdney reported on the condition of the Indians. He noted widespread hunger, and acknowledged that "the bulk of the Indians in the North-West Territories are today, and have been for the last twelve months, almost entirely dependent on the government for their existence." (AR, 1880, p. 91)

The effects of the disappearance of the buffalo were compounded by an inadequate agricultural policy. As Indians come in from the plains to settle, the government found itself unable to provide work for all. Dewdney reported that "All the work we have to offer now is on the reserves, and the tools and implements provided at the time the treaties were made, go but a small way to keep so many employed" (AR, 1880, p. 91).

Settlement of the Indians on Reserves was not without its attendant problems. One was the presence of Indians "constantly coming in from the plains where it is now

impossible to make a living." As a result, "the produce raised does not make such a good show as it would had the consumption been confined to those Indians who had actually settled." (E. Dewdney, AR, 1880, p. 80) These Indians had come in from the plains, and were in urgent need of provisions. They placed pressures on incipient agriculture to support the additional population when it was not yet supporting the settled population. The urgent needs of the newcomers encouraged the consumption of goods intended for productive purposes, like seed grain and cattle.

3.5 Annuities and the cash economy. Cash outlays by the government to Indians took the form of signing bonuses and annuities. In addition, the government incurred expenditures for agricultural stock and equipment, ammunition and twine, providing provisions at annual treaty payment gatherings and for destitute Indians, for schools, and for general expenses. In 1874, the total expenditure of the Department in Manitoba and the Northwest was \$92,040.51. Of this amount, annuities paid on Treaties 1, 2 and 3, amounted to \$47,539.16, more than 50% of total expenditures. A further \$16,655.78 was spent on provisions and other gifts for distribution at the time of treaty payments. \$3,646.65 was spent on agricultural stock and implements. General expenses accounted for \$24,198.92, just over one-quarter of total

expenditures on Indian Affairs in Manitoba and the Northwest.

The signing of Treaties 4, 6 and 7, led to dramatic increases in expenditures. By 1880, annuities paid out on treaties 1-7 amounted to \$217,882 for some 32,597 Indians, chiefs and headmen. The total expenditures of the Department for Manitoba and the Northwest was \$614,859.63 for the year ended 1880. This indicated a 6.7 fold increase over six years. From 1882 through 1885, the annual expenditure on Indian Affairs in Manitoba and the Northwest Territories exceeded one million dollars.

During the first years of treaties 4 and 6, treaty annuities included "back payments" to Indians who had not been present at the signing or first and second year payments. Expenditures were also made to commute annuities on request of Indian women by a lump-sum payment of \$50.

One reason expenditures rose more rapidly than expected was the underestimation by the government of the number of Indians in the Territories. For example, at the first annual payments under Treaty 4, Commissioners Christie and Dickieson found so many Indians gathered at the Qu'Appelle Lakes site - some 500 lodges - that they sent a cable on September 5 requesting an additional \$6,000 to their credit for Treaty payments. Then on September 9, they requested an additional \$15,000. With these additional funds, they were



able to proceed to the Fort Pelly and Shoal River sites to make treaty payments.

Treaty payments - both signing bonuses and annuities - were one of the first significant sources of Canadian currency for the Indians of the Northwest. Most of the fur trade had been conducted on a barter basis. Frank Tough (1990) suggested that the Hudson Bay Company continued the barter system as a way to control access to its clientele. The maintenance of a barter rather than a cash system helped preserve monopoly conditions under which "the company 'whipsaws' the Indian trapper by reducing the buying price of furs and increasing the selling price of trade goods" (Tough, 1990, p. 8). Tough also cites instances where Indians encouraged traders to come west and induce competition, and sought payment in cash, so that they could make purchases from the lowest priced seller. Tough (1990) notes that "annual treaty payments from the Department of Indian Affairs and cash payments for furs by free traders introduced money into the regional economy" (p. 20). Ray also suggested that "by drawing cash merchandisers into the north for the first time, annuity payments served as a catalyst for the movement of native people away from the credit/barter system of the pre-Confederation fur trade..." (Ray, 1990, p.40).

The cash infusion from both treaty signing and annual payments was significant not only for Indians but for the monetization of the economy of the entire Northwest, particularly the Treaty 4, 6 and 7 areas. Irene Spry (1968) commented on the shortage of currency in the North West. She suggested that the earliest significant payments in cash in the Northwest may have been in connection with treaty payments.

An essential condition of the development of local markets was the displacement of barter by a cash economy. It is not clear when and how cash transactions became common, but the numerous and various travellers who ranged the west in the second half of the nineteenth century seem to have made some cash payments at least, though often reference to the payment of a wage or discharge of some other obligations in money really only meant a measurement in money of a debt to be discharged by means of a credit with the Hudson's Bay Company that would be realized in kind. Indian Treaty payments and NWMP contracts, such as that awarded to the Northwester Coal and Navigation Company in 1883 to erect the second Fort Macleod, were probably of primary importance in bringing actual money into the country. (p.198).

These ideas are echoed by Ray (1990) who noted that "the economy of the Northwest was cash poor, which meant that the Indians were among the very few people who had any money to spend during the first couple of decades after Confederation" (p. 39). Ray also noted the significant treaty trade that developed alongside treaty making and the annual treaty payments.

The presence of a treaty trade was intimated by the comments of Christie and Dickieson who attributed Indian complaints about the HBC to other, competitive traders. Other indications of the size and importance of the treaty trade can be found in departmental reports. For example, en route to Forts Carlton and Pitt to negotiate Treaty 6, Lieutenant Governor Morris encountered a trading party at the Ferry at Dumont's Crossing. He described

"one hundred carts of traders and freighters, waiting to be ferried across the river. The scow was occupied in crossing the carts and effects of Kis-so-wais, an enterprising Chippewa trader of the Portage La Prairie Band" (AR, 1876. p. liii).

A picture of the atmosphere of the Treaty trade emerges from reports at Sounding Lake in 1878. In its inaugural issue, the Saskatchewan Herald (August 25, 1878) reported on what it called "commercial panic on the plains":

"Outfits were there from all parts - from Benton at the South and Carleton at the North, from Forts Edmonton and Pitt at the West and Winnipeg at the East, and all intermediate points. There were in all thirty-three trading camps, embracing every variety of Indian goods, and some novelties never before offered in such a market." (p.1.)

The newspaper goes on to report that the competition among the traders became so intense that most of the smaller traders packed up their wares and contented themselves in watching the competition between the big trading companies, Benton and HBC. The paper quoted comparative prices between

Battleford and those at the trading camp. Blankets were discounted by 40%; cloth by 50%; tea by 33%; Winchester rifles by 25%. The paper went on to note that horses were being sold at \$35-45/head unbroken, "which is less than they ever sold for before." (p.1)

The Indians clearly recognized the value of this competitive situation. Reporting on events at Sounding Lake, Dewdney observed that the Indians appeared to be delaying the start of the payment process. At first, he interpreted this as an effort to extend the period for which rations were given. However, news of buffalo in the vicinity was received, and that "made the majority anxious to take their money and be off, and when the payment was well under-way there was lots of wire-pulling to try and get paid first, so as to get the best horses that the traders had brought for sale." (E. Dewdney, AR, 1879, p. 85) But at least as important as the desire for rations was the desire to check out the merchants and evaluate the prices at which various goods were offered for sale.

This motive emerged even more clearly at Dewdney's subsequent meeting at Blackfoot Crossing. Dewdney was anxious to make payments and get on his way, but Chief Crowfoot inquired how many days rations were available, and urged Dewdney to stay until the provisions were exhausted. Dewdney learned that Chief Crowfoot desired the delay

because "he wished to see the goods brought in by the merchants and price them and advise his young men where to trade, after having found what he considered the cheapest place." (AR, 1879. p. 14).

On the basis of these experiences in his first outing as Indian Commissioner, Dewdney proposed a new method of payment. "It does no good to get so large a number of Indians together as met at Sounding Lake," he said. (AR, 1879, p. 85-86) He proposed that Indians receive their money on reserve, so that they are not drawn away from their farms or the hunt. Moreover, money would be saved by not having to purchase and freight such a great quantity of provisions.

The centralization of payments was favoured by the Indians, however, because it would attract more traders and create a more competitive market environment. In 1881, Mr. Wadsworth was asked by Chief Seechum that the payments which had been made separately at Victoria, Whitefish Lake and Lac La Biche all be made at Whitefish Lake the next year. "He gives as a reason for this request, a large payment will attract a great number of traders, with competition, the Indians will be able to purchase their goods cheaply" (AR, 1880, p. 88).

The Indians found the treaty annuities increasingly inadequate to their needs. The decline of the buffalo meant a decline in sources of food, clothing and shelter, which

had to be made up through acquisition of European goods. The decline of the buffalo also meant that the Indians had smaller quantities of pemmican and hides to trade with U.S. or Canadian traders for trade goods. The need for trade goods rose and the ability to obtain them diminished with the decline of the buffalo.

Therefore, various ways and means were found to increase access to trade goods. One was to trade against future annuities; another was to represent the number of annuitants to be as large as possible so as to increase the amount of cash payments. Both were made possible by the method of payment adopted by the government. The first was made possible by the system of checks or tokens issued for identification of annuitants; the second by the "pay tent" payment procedure.

Brass checks, with identification information for band and individual, were issued in the Treaty 4 and 6 areas as a means of speeding up the pay process. They were intended to facilitate the identification of persons entitled to annuities from year to year. The Indians were to present these checks at the time of annuity payments, and then they could readily be found on the paylists. Sometimes checks were lost. Sometimes they were held by Chiefs or headmen for safekeeping. However, Dickieson also found that during the winter months traders had made advances to some Indians, in

exchange for the brass identification check. The traders then presented themselves as claimants to the annuities for the checks that they held. However, Dickieson chose not to honour those checks, even when he was satisfied that the Indians had indeed received goods "to the full amount of their annuities", or when they "had signed orders to pay the trader" (AR, 1876, p. xxiii-xxiv). This soon put an end to that source of credit for Indians.

The second method of getting cash was uncovered by Dewdney. The usual method of dispensing annuity payments was for Indians to present themselves at the pay tent, whereupon they would indicate the number of wives and children in their family. The appropriate amount would then be issued. However, on his first tour as Indian Commissioner, Dewdney, got a feeling that more annuity payments were being issued to the Sarcee than seemed warranted by the apparent population that had assembled. In order to test his hunch, Dewdney closed the pay tent, and asked each Indian male to gather in front of his tent. Women and children were to stand on the side. After considerable delay, the men gathered, and Dewdney found that there many single males. He paid each man who had not been paid his annuity, and then went around and paid the women and children. Even then, he found that:

during the time I was paying them in this way, several who would go off with a buffalo robe would return with a blanket pulled over their head, and would take up their position with those who were unpaid, and it was with great difficulty that I, with a policeman, and Mr. Galt could keep track of them. (AR, 1879. p. 93)

Dewdney noted that his intervention surprised and disturbed the Indians:

They had been counting on receiving a certain number of dollars, which they had arranged how to spend...They had their horses picked out that they proposed to purchase, and they showed their disappointment most plainly by reclining on the ground, fiddling with the \$5, and it was impossible to get them to move off. (ibid. p. 93).

Dewdney instituted a system of tickets for annuitants which indicated the place where they were to be paid. As the annuitant was paid for each year, that year was to be checked off on the ticket. Thereafter, presentation of the ticket was necessary to receive rations or annuities. Settlement on reserve reduced the likelihood of claimants appearing at more than one treaty payment site, a problem which had been noted by Inspector Walsh (AR, 1877).

Dewdney expressed his belief that the same had taken place during other payments. This should have occasioned no surprise. The numbers of the buffalo had been declining for some years. That affected not only the means of subsistence, but also the availability of meat and hides which could be obtained to trade for Euro-American goods. As well, the development of steam transportation on the inland waterways had reduced the demand for Indian labour as freighters.



The usual practice was to bring the cash to make the annual treaty payments. The cash had to be freighted in from the east. However, in 1879, the delivery of cash was delayed by heavy rains, and Dewdney had to order the printing of cheques, issued payable to the bearer. Dewdney explained the situation to traders and Indians at Sounding Lake. He proposed that after the trading was completed, he would take the cheques payable to the bearer back from the traders and issue in their place a single cheque payable to the order of the trader.

3.6 Expenditures on Indian Affairs in the Northwest: 1870-1885. The extension of treaties from the Lake of the Woods to the Rocky Mountains entailed a rapid rise in expenditures for annuities, treaty provisions and general administration. Famine after 1879 led to additional expenses in provisions for the destitute and emergency measures to encourage agricultural production. As can be seen in Table 3.4, expenditures on Indian Affairs rose rapidly from 1879. From \$364,093 in 1879, they more than doubled by 1881, to \$729,737, and were over one million dollars annually for the next four years. Provisions, shown in the third row, were a small part of total expenditures through 1879, when they reached nearly 15% of total expenditures.

**Table 3.4**  
**Expenditures on Indian Affairs in Manitoba and the Northwest Territories, 1874-1885**

Expenditure	1885	1884	1883	1882	1881	1880
Annuities	169,406	170,749	184,170	227,070	167,241	217,882
Agricultural Assistance	68,322	59,789	83,967	60,677	79,390	50,278
Provisions	504,255	547,595	530,982	607,235	284,483	157,572
Clothing	2,129	4,907	5,501	2,567	2,804	5,642
Schools	62,152	12,133	6,857	5,592	4,262	2,849
Surveys	17,264	19,443	22,323	20,624	16,664	19,131
Farm Wages	36,247	44,024	47,063	47,786	38,273	19,867
Farm Maintenance	19,759	27,107	33,777	37,289		62,705
Sioux (non-treaty)	2,596	460	2,940	2,741	3,080	3,973
General Expenses and Misc.	126,801	139,469	109,639	93,214	133,540	74,960
Total	1,008,930	1,025,676	1,027,216	1,104,795	729,737	614,859

Expenditure	1879	1878	1877	1876	1875	1874
Annuities	191,783	149,710	120,858	89,356	27,271	47,539
Agricultural Assistance	68,635	31,267	16,866	21,866	22,793	3,647
Provisions	53,672	48,589	34,110	40,281	13,920	16,656
Clothing	2,153			2,768		
Schools	2,233					
Surveys		21,938				
Farm Wages						
Farm Maintenance						
Sioux (non-treaty)	2,373	389	2,710	5,000		
Cost, new treaties		72,917	41,527	13,403	38,287	
General Expenses and Miscellaneous.	43,244	51,735	37,966	95,067	32,068	24,199
Total	364,093	376,545	254,037	267,941	134,339	92,041

Source: Annual Reports of the Department of the Interior and the Department of Indian Affairs.  
 Column sums may differ from totals due to rounding.

By 1881, they had reached 39%, and from 1882 on were 50% or more, of the total expenditures on Indians in Manitoba and the Northwest. From 1882, provisions were classed as either annuity provisions or provisions for the destitute. Annuity provisions were provided to Indians while they were gathered at the appointed places for annual treaty payments. A breakdown of expenditures between Treaty 4, Treaty 6 and

all expenditures in Manitoba in the Northwest from 1874 to 1885 is shown in Table 3.5.

For most of the period through 1885, the government required the Indians to come to a fort on an appointed date to receive their treaty payments. The government supplied provisions to the Indians for the period of their stay at the payment site. Left-over provisions were often distributed to the Indians to use after their departure.

The Department recognized several costs of this policy, including the cost of providing the annuity provisions, the cost of drawing people away from productive agricultural activities, hunting or fishing activities, and the potential dangers implied by large gatherings. A system of payment on reserve by the Indian Agent was instituted. Besides, this policy had become practical once Indians had settled on reserves.

Provisions for the destitute soon outstripped provisions associated with treaty payments. The scale of assistance was staggering for the relatively small administrative apparatus of the Northwest. Annuities provided the main source of cash to Indians and fostered the cash economy of the Northwest. Department purchases of provisions, freight services, cattle, and other items also had a significant impact on the developing economy of the Northeast. At first, the requirements for goods for the Northeast were met through

Table 3.5  
Annuity, Provisions and Economic Assistance Expenditures Treaty 4, Treaty 6 and  
All Manitoba and the Northwest, 1874-1885

Expenditure	1885			1884			1883		
	Ty 4	Ty 6	All	Ty 4	Ty 6	All	Ty 4	Ty 6	All
Annuities	31,591	48,045	169,406	34,343	46,640	170,750	43,698	39,600	184,170
Agricultural Implements	7,125	8,644	19,348	2,893	13,862	22,173	13,169	7,470	30,302
Tools	537	2,406	4,320	463	1,518	3,589	3,255	3,522	12,444
Cattle	4,908	8,418	14,838	3,841	10,521	15,470	7,855	8,560	17,303
Seed Grain	8,999	9,523	24,443	3,910	2,007	10,786	3,168	2,432	13,521
Ammunition & Twine	724	1,662	5,372	1,521	2,742	7,771	2,259	2,682	10,396
Annuity Provisions	4,038	10,166	26,217	7,373	22,563	48,269	27,303	11,047	50,818
Provisions for the Destitute	58,473	127,392	478,038	79,773	61,122	499,325	89,206	56,748	563,151
Totals	116,395	216,256	741,982	134,117	160,975	778,133	189,913	132,061	882,105

Expenditure	1882			1881			1880		
	Ty 4	Ty 6	All	Ty 4	Ty 6	All	Ty 4	Ty 6	All
Annuities	59,028	33,110	227,070	63,776	30,312	167,241	39,024	81,047	217,882
Agricultural Implements	2,244	5,154	8,573	2,603	11,853	19,873	4,671 <sup>b</sup>	25,949 <sup>b</sup>	50,278 <sup>c</sup>
Tools	865	1,401	2,706	1,478	452	1,930			
Cattle	8,677	7,321	19,211	14,289	2,734	20,243			
Seed Grain	6,942	5,327	22,958	3,613	6,770	13,579			
Ammunition & Twine	1,605	1,266	7,230	3,039	5,288	15,227			
Annuity Provisions	11,028	3,073	44,083	n.a.	n.a.	284,483 <sup>a</sup>	27,865	31,190	157,572 <sup>b</sup>
Provisions for the Destitute	167,428	94,432	563,152	n.a.	n.a.		n.a.	n.a.	
Totals	257,817	151,084	894,983	88,798	57,409	522,576	71,560	138,186	425,732

Table 3.5 (concluded)

Expenditure	1879			1878			1877		
	Ty 4	Ty 6	All	Ty 4	Ty 6	All	Ty 4	Ty 6	All
Annuities	39,565	57,995	155,132	41,509	53,893		31,253	33,790	120,858
Agricultural Implements, tools, seed grains, cattle, ammunition and twine	2,783	27,490	41,310	3,943	15,682		4,806	nil	16,866
Provisions			53,672	40,633					34,110
Totals	42,348	85,485	209,118				36,059	33,790	171,834

Expenditure	1876			1875			1874		
	Ty 4	Ty 6	All	Ty 4	Ty 6	All	Ty 4	Ty 6	All
Annuities	52,757	N.A.	89,356	N.A.	N.A.	27,271	N.A.	N.A.	47,539
Agricultural Implements, tools, seed grains, cattle, ammunition and twine	6,129	N.A.	21,866	N.A.	N.A.	20,252	N.A.	N.A.	3,646
Provisions			40,281	N.A.	N.A.	13,920	N.A.	N.A.	16,655
Totals	58,886		151,503			61,443			67,840

Source: Annual Reports, Department of the Interior and Department of Indian Affairs. Data from 1874 to 1880 is for year ended June 30; data from 1881 is for year ended Dec. 31.

a = includes all provisions

b = agricultural implements includes tools, cattle, seed grain, and ammunition and twine

n.a. = not available

N.A. = not applicable

purchases centralized at Winnipeg. Recognizing the growing purchasing requirements in Manitoba and the Northwest, the Department hired a full time purveyor at Winnipeg in 1878 to buy the "large amount of annual supplies of cattle, implements, clothing and other things required for the Indians" (Minister of the Interior David Mills, AR, 1877, pp. ix-x). Hiring of labour, freighting and other services by the Department also contributed to the growth of the money economy in the Northwest.

When summer rains delayed the freighting of supplies into the Northwest Territories, agents had to buy provisions at H.B.C. posts, "and in consequence of these purchases, the cost of feeding the Indians during payment was considerably increased" (David Mills, AR, 1877, p. x). Two factors led the department to issue calls for tenders in the Territories. The very magnitude of provision purchases entailed large freighting costs. The growing economy of the Northwest made local supply more feasible.

In 1878 advertisements were placed in the newly founded Saskatchewan Herald, calling for tenders for flour and wheat. The response was indicative of the state of the economy in the Northwest Territories. There was only one bid to supply flour, from the owner of a mill. Three bids were received to provide wheat, one from the mill owner, one from the H.B.C., and a third from another contractor.

High expenditures led the Department to look for ways to decrease the costs of feeding and maintaining the Indians. One way was to foster agricultural production on reserves. The rhetoric of treaty negotiators had held out agricultural activity on reserves as a viable, and in the end the only, alternative to the hunt for Indians' livelihood. But little had been done toward that end.

Costs would also be contained if the government could better ration all food resources possible. Toward that end, an Order in Council was passed July 14, 1881 forbidding Indians and Indian Bands from "selling, bartering, exchanging or giving any person or persons whatsoever, any grain, or root crops, or other produce grown on any Indian Reserve in the Northwest Territories..." This order, unlike later pronouncements regulating sale of Indian produce, appears to have been aimed at preserving produce for meeting the needs of Indians, and, especially, to prevent "giving away" (sharing) produce with newcomers to reserves (Canada Gazette, #3, Vol. xv, Sat., July 16, 1881, p. 84). The influx of people to reserves strained the supply of provisions, and also put a high demand on whatever crops were produced on reserve. It had become impossible to feed all those who were on reserves (AR, 1880, p. 81).

Another cost-cutting measure was the decision to provide rations to "able-bodied" Indians only if they worked. Hayter

Reed, who assumed responsibilities as agent at Battleford in 1881 reported "withholding any assistance whatsoever, except to those who were willing to work" (AR, 1881. p. 75). This policy was difficult to enforce. The influx of Indians to reserves after 1881 strained the ability of the Department to give work to the able-bodied. That problem was compounded by the shortage of agricultural equipment; the support given according to Treaty was altogether insufficient. As Dewdney wrote, "all the work we have to offer now is in the reserves, and the tools and implements provided at the time the treaties were made, go but a small way to keep so many people employed" (AR, 1880, p. 91).

Indians resisted the rations policy. At Battle River, a disturbance was reported as Indians forcibly objected to the farming instructor's policy of giving provisions only to those who worked for them (AR, 1884).

After 1879, the focus of the government efforts was on promoting agricultural production. Toward this end, the government provided agricultural assistance in the form of implements, tools, seed grain, and cattle, in addition to the ammunition and fishing twine which was provided by treaty.

3.7 Agricultural Assistance. Although the government had, since the time of Treaty 4, been advocating the necessity of Indians taking up agricultural pursuits, it had



not taken the necessary measures to promote success. From 1876 to 1880, the cumulative value of all agricultural assistance - implements, tools, seed, cattle, ammunition and twine - provided to the Indians of Treaty 4 amounted to \$22,332. In 1880, the Department reported 5,876 annuitants; thus, a total of \$3.80 per annuitant had been given in assistance over those years.

In Treaty 6, total agricultural assistance was greater. There were more Indians in Treaty 6 than Treaty 4, and treaty terms were more generous. Agricultural implements, tools, seed grains, cattle, ammunition and twine began to be distributed in 1878. In 1879 and 1880, the total of such assistance was \$53,439. The annuitant population was 8,509 in 1880, so per annuitant contributions over the two years in Treaty 6 were \$6.28, or \$22.44 per on-reserve resident in 1881. A difference between per annuitant contributions and per on-reserve resident arises because not all annuitants lived on-reserve, and not all persons on-reserve are annuitants of that band. It should be noted that the figures for Treaty 6 are for contributions over two years, and those for Treaty 4 for contributions over five years.

Agricultural assistance, by the terms of Treaty 4, were to be provided to those who settled upon and broke the land. In 1881, the Department provided agricultural assistance in the amount of \$21,983 for the 1,709 reported on reserve, or

\$12.86 per resident. In 1883, \$27,447 was provided for an on reserve population of 5,619, or \$4.88 resident. In Treaty 6 area in 1881, agricultural assistance was \$21,809, or \$7.26 per resident. In 1883, it was \$21,984, or \$2.94 per on reserve person.

Total agricultural assistance over the life of Treaty 4 to 1885 was \$119,223, or \$23.66 per capita resident on reserve in 1885. Based on the 1885 population on reserve, agricultural implements and tools alone from 1880 through 1885 amounted to \$56,435, or \$11.20 per person; \$34,662, or \$6.88 per person was spent on cattle, also a durable asset, although subject to being eaten in times of famine. The costs of freighting and herding of animals prior to delivery was also counted in the cost of cattle. That could be a significant part of the total value of the cattle. For example, it was reported that one herd of cattle was being maintained at a cost to the Department of \$250 per month in the Treaty 6 area, until the Department was sure that the Indians were prepared to receive the cattle (AR, 1878).

Comparable figures for the Treaty 6 area, based on its 1885 population was \$173,334, or \$26.71 per capita; a total of \$9.29 per person on tools and implements over the period 1881 through 1885; and \$5.79 per person on cattle over the period.

Based on the populations on reserve in 1885, the cumulative value of agricultural implements, tools, cattle, and other assistance was paltry. The question which then needs to be answered is: how did agricultural efforts fare in the two treaty areas of Saskatchewan to 1885?

In 1885, the Treaty 4 Indian population was 5,038, and that in Treaty 6, 6,489. These population figures reflected a substantial decline in the number of Indians in each area as compared to 1883. The Indian population in Treaty 4 had declined by 17% over the two years, and the population in Treaty 6 by 22%. The causes of this decline were several. The most important were: the high mortality rate associated with destitution and the change of diet from meat to vegetables (Spry, 1968); migration to the United States; and incorrect count at the two censuses. High mortality rates are noted sometimes in official reports; for example, 45 deaths in Piapot's band in a single year (AR, 1884).

3.8 Indian Agriculture in Treaty Areas 4 and 6. The department was reorganized and Edgar Dewdney appointed on 30th May 1879 to manage the crisis of potential famine among the Indians of the Northwest. The immediate aim of the agricultural policy was to promote local production of foodstuffs, thereby reducing the costs which would fall upon the government for provisions (AR, 1879).

In 1879, the government initiated a two-pronged policy: the establishment of Home Farms and promotion of agricultural pursuits by Indians on their reserves. Home Farms were to be located off reserves. They were to focus on the production of their own crops in the first year. Thereafter, they were to serve as model farms to the reserves in their areas. In addition, two supply farms were established in Alberta, specifically charged with producing foodstuffs for provisions.

The second part of the policy was to foster agriculture on reserves. For this purpose, nineteen farming agencies were created to foster the successful pursuit of farming and ranching (AR, 1879).

The incompatibility of these two objectives was soon evident. Instructors noted that it was impossible to attend to both the Home Farm and to assist Indians to establish their own farms on reserve. Under pressure from Ottawa to cut costs and this criticism from within, Home Farms were phased out by 1885. Farm instructors were given responsibilities to promote on-reserve agriculture.

In 1879, David Laird had argued that farming instructors would have to remain resident for at least a decade. In 1881, Dewdney was reporting his anticipation that he would soon be able to dispense with a large part of the instructing force in the east of Treaty 4. This may have

indicated some early success in agriculture. It certainly reflected the response of the Department to growing pressure to contain the growing costs of Indian administration in the territories.

The annual reports of the Department enumerate 25 Home Farms: eight in Treaty 4 (including Maple Creek and Moose Mountain areas), three in the Carlton District, and five in the Battleford District. Some instructors did not establish Home Farms, but instead concentrated on the development of Reserve agriculture. In 1882, three of the eight designated Home Farms in Treaty 4 with instructors James Setter at the Crooked Lakes, G. Newlove near Qu'Appelle, and H.J. Taylor in File Hills, were reported to have no or very small Home Farms. Instead, the instructors were reportedly devoting themselves to work on the reserves, as in the Battleford District, where two of the five Home Farms were inactive.

Home Farms were short lived. In 1881, Dewdney noted that most farming instructors were on reserves rather than the Home Farms. In 1882, the government began closing Home Farms because they deemed were no longer necessary for the purpose of feeding the population. In order to foster agricultural activities on reserves, farming instructors would be assigned to each reserve (AR, 1882, pp.xi-xii).

Agricultural developments were affected by a number of factors including the quality and quantity of agricultural

implements provided, the development of appropriate farm practices for Canadian plains climatic conditions, and the capability of farm instructors. The quality of farm equipment and stock was a source of constant complaint from Indians attempting to farm, and these complaints were invariably validated by local Department staff. Dewdney reported (AR, 1879, p.84) that there were numerous grievances about bad ploughs, bad spades and wild cattle. The goods which had been provided under treaty proved in many cases to be useless, the ploughs breaking and spades doubling up when used.

As more and more Indians settled on reserves, it was also recognized that there was need for more equipment, tools and stock. In his annual report in 1881, Dewdney noted that the stipulations of Treaty four: one yoke per band "in fact enough for one family" and one plough for ten families is "obviously not enough" (AR, 1881, p.41). This situation also prevailed in Treaty Six; Hayter Reed, newly appointed to the Battleford Agency noted the "insufficiency of working cattle" (which he saw as an impediment to the development of individual property) (AR, 1881, p.76).

Farming on the Canadian plains posed difficulties not faced in Central Canada, from where many of the Agency farming instructors were recruited. The weather brought floods, droughts, late seeding and early frosts. Reports of

prodigious efforts to break land and sow crops, were frequently capped with the disappointing report that "an early frost destroyed much of the crop" (Superintendent General of Indian Affairs John A. MacDonald, AR, 1880, p. 2). In the 1880 crop year, Indians in Treaty 3 and 5 areas were reportedly facing destitution because of crop failure, while in Treaty 2, crops were destroyed by flooding (AR, 1881). These reports highlighted the precariousness of an agricultural society, which stakes its future on efforts, the fruits of which are realized only months later, and which depend critically on circumstances not subject to human agency.

The ability of farm instructors was another factor affecting the development of Indian agriculture. Many instructors had no background in agriculture. Many were brought in from the east, with little or no knowledge of local conditions, and less knowledge of the habits of the inhabitants. The ability of instructors was one of the reasons cited by Department officials for the poorer agricultural performance in Treaty 4 as compared to Treaty 6 (AR, 1882). Under pressure from Indians and North Westerners alike, that policy changed, and agents were increasingly recruited from the local population (Carter, 1990).

The annual reports of the Department show the progress made in agriculture in the Treaty 4 area, and in the Carlton

and Battleford districts of Treaty 6. Table 3.6 shows the changing land under crop, on Home Farms and on reserves.

Table 3.6  
Acres Under Crop on Home Farms and Reserve Land,  
Treaty 4 and Carlton-Battleford Districts (Treaty 6)  
1880-1885

District	Type	1880	1881	1882	1883	1884	1885
Treaty 4	Home Farm	121	231	61	31	18	6
	Reserve	126	321	648	1239	1606	2243
	Sub-total	247	552	709	1270	1624	2249
Carlton	Home Farm	42	88	95	75	39	11
	Reserve	473	689	781	690	1421	122
	Sub-total	515	777	876	765	1460	133
Battleford	Home Farm	79	149	138	96	1	0
	Reserve	98	368	568	801	1058	257
	Sub-total	177	517	706	897	1059	257
Totals	Home Farm	242	468	294	202	58	17
	Reserve	697	1378	1997	2730	4085	2622
	Total	939	1846	2291	2932	4143	2639

Source: Annual Reports of the Department of the Interior and the Department of Indian Affairs, 1881-1885. Cell entries have been rounded off to the nearest whole acre.

Table 3.7  
Grain and Root Crops Harvested  
by District, 1881 and 1884

District	Type	Grains (Bushels)		Root Crops (Bushels)	
		1881	1884	1881	1884
Treaty 4	Home Farm	4,168		5,310	
	Reserves	953	7,482	4,662	12,821
Carlton	Home Farm	260		100	
	Reserves	4,148	4,200	2,945	8,570
Battleford	Home Farm	1,850		1,020	
	Reserves	880	5,740	3,642	6,805
Totals	Home Farm	6,178		6,430	
	Reserves	5,981	17,422	11,249	28,196
	Total	12,259	17,422	17,679	28,196

Source: Annual Reports of the Department of Indian Affairs  
Grains include wheat, oats and barley. Root crops include potatoes, turnips and carrots. Peas are also included.



The 1885 rebellion affected agricultural production in the Carlton and Battleford Districts, although in the Treaty 4 area, agriculture proceeded largely undisturbed. Therefore, for the purposes of evaluating the progress of agriculture, 1884 rather than 1885 is selected as a benchmark year. Table 3.7 shows the total grain and root crop harvests by area in 1881 and 1884.

In Treaty 4, reserve land under crop increased five-fold, grain output increased eight-fold, and root crops nearly three-fold. However, when the substantial Home Farm production is included, the increase over the three years was considerably less, a 50% increase of grains and 20% increase in root crops. It will be recalled that over this period, the on-reserve population in Treaty 4 more than tripled.

In the Treaty 6 area, on-reserve acreage and production predominated over Home Farm production in 1881. Between 1881 and 1884, grain output was largely unchanged, but root crop output increased more than 2.5 times. In the Battleford District, as in Treaty 4, Home Farm grain and root crop production were important in 1881, but reserve grain production increased six fold and root crop production doubled. In Treaty 6, the on-reserve population grew less than in Treaty 4.

Other indications of agricultural development during this period include acres fenced, acres broken for cultivation, tons of hay cut. These are shown in Table 3.8.

Table 3.8  
Land Fenced and Broken and Hay Cut, Treaty 4, Carlton-Battleford Districts (Treaty 6), 1881 and 1884

Activity	Treaty 4		Carlton		Battleford	
	1881	1884	1881	1884	1881	1884
Land Fenced (total acres)	636	2,000	730	3,474	867	4,707
Land Broken (total acres)	730	2,164	932	1,988	663	1,709
Hay Cut (tons)	1,101	2,512	345	685	587	1,190

Source: Annual Reports of the Department of Indian Affairs, 1881 and 1884.

Numbers rounded off to nearest whole number

In the four crop years from 1881 to 1884, substantial gains were shown. Fenced acreages in Treaty 4, Carlton and Battleford Districts increased four-fold from 2,233 acres to 10,181. Total broken land on reserve was 2,325 acres in 1881, but 2.5 times greater in 5,861. 2,033 tons of hay were harvested in 1881 and 4,387 1884.

The issue of different rates of agricultural development as between Treaty 4 and Treaty 6 areas was regularly remarked upon by Department officials. In his 1877 report, David Laird stressed the difference in adaptation to agricultural activities between the two areas. He indicated that in the Carlton area of Treaty 6, Indians were working with enthusiasm, while in Treaty 4, only two or three bands were settled on reserves, and those still relied heavily on hunting (AR, 1877, p.46). When significantly more goods were delivered to Treaty 6 bands than Treaty 4 bands in the next

year, this was attributed in part to distributions of agricultural goods to Treaty 4 reserves in earlier years, but also in part to the "backwardness" of Treaty 4 (AR, 1878). In the annual reports of 1880 and 1881, the Treaty 6 area was described in terms of agricultural advance, while the Treaty 4 area was described in terms of difficulties of getting agriculture going.

It is noteworthy that while Treaty 6 apparently took readily to agriculture compared to Treaty 4, it was in the Treaty 4 area that the department continually announced progress towards self-sufficiency, and first implemented plans to phase out the Home Farms (AR, 1882, 1883).

Overall, the development and prospects for Indian agriculture were judged positively by Department officials. Speaking of Okemasis' Band in the Carlton District, Agent Rae reported the band comparable to or ahead of other farmers in the area (AR, 1882, p.225). One sign of agricultural success in this period among some bands was the development of their commercial activities.

3.9 Further Developments of the Cash Economy. By 1879, some reserve farms had acquired a rudimentary commercial character. Red Pheasant reserve, in Treaty 6, where sixteen individual fields were under cultivation, marketed surplus potato production. The success at Red Pheasant convinced Dewdney of the value of promoting individual garden plots.

However, Hayter Reed noted later that individual garden plots were difficult to develop due to the shortage of working animals and equipment (AR, 1880, p. 78).

In 1882, Little Black Bear's band marketed eight bushels of seed wheat to a local farmer. This was not an unusual occurrence. It was remarkable for the agent, not because a sale was made, but because he had to intervene in a dispute over how the proceeds of the sale ought to be distributed amongst band members (AR, 1881, p.208). In 1883, Little Child's band farmers sold 400 bushels of potatoes at \$1 per bushel, which were then shipped to market in Regina (AR,1883, p. 75).

The marketing of surplus agricultural produce had become routine by 1884. Reporting on the Carlton Agency, Agent Rae (AR, 1884)noted:

Of the various arrangements made for the benefit of the Indians during the winter, under sanctions from the Department, those for the milling and purchase of Indian grain are most worthy of notice. The action of the Department in purchasing the surplus crops at market prices, and directing the expenditure of the amounts paid therefore, secured great benefits to the Indians. An almost entire control of the crops was kept; any unfair dealings in grain transactions were guarded against, and goods were obtained for the Indians on most advantageous terms, this latter being a great consideration, where goods are so high priced in the Saskatchewan District.

The individual custom of those selling grain would not be worth the competition of traders; but in the aggregate, they have vouchers or cash to expend, it is such as any merchant might desire to have; and thus, by adopting such measures as render it possible to control and direct the

trade, the same advantage is obtained for them as a cooperative society would enjoy. (p. 70).

In many instances, Agents adopted the position of paternalistic intermediary between Indians and the market, regulating the terms of access of Indians to market. Farm operations had become well developed, equal to or surpassing the farm operations of their non-reserve neighbours (AR, 1882, p. 225; AR, 1883, p. xlvi). They were also becoming commercially successful.

The proceeds of sales of agricultural produce provided the means to make equipment purchases. In 1881, Mistawasis and Atahkakoop, in the Carlton District, purchased a threshing machine on credit through the agent, and in the spring of 1882 they paid half the purchase price of the machine, with the balance to be paid in the fall (AR, 1882, p.225). By 1883, Little Child's, Sakemay's and Pasqua's bands had purchased four mowers, 4 hay rakes, and 1 reaper.

These bands were also purchasing livestock. For example, at Pasqua's Band, three families purchased a yoke of oxen. Edgar Dewdney recognized their accomplishment by making a gift of a plough and ox harness (AR, 1883, p. 71). Non-treaty Sioux had also succeeded in obtaining capital goods, having acquired by 1884 some \$1,400 in equipment beyond that provided by the government, including several lumber wagons, eight ploughs, a buckboard, spring wagon and other equipment (AR, 1884, p. 91-92).

Bands added to their on-reserve productive facilities. Mistawasis' band had established a carpentry shop and begun work for a blacksmith shop (AR, 1884). Moosomin's band had branched into lime production to meet the needs of Indians and settlers in the vicinity. The band had the only lime kiln in the area. The band was also reported to be producing charcoal and manufacturing brick (AR, 1884, p. 157).

The development of the agricultural economy created the need for new facilities, such a grain milling. The government offered inducements to entrepreneurs to establish mill facilities in localities where bands did not have ready access to mills. This further encouraged commercialization and market development in the Northwest.

Cash was also earned by Indians through wood cutting, freighting, and sale of labour services. In 1880, Dewdney argued that the inability to provide on-reserve employment for all those who were settling could be offset by the emergence of off-reserve employment opportunities which would attend settlement, railway construction (AR, 1880). In the Crooked Lakes area in 1883, Indians were employed at railway work, and the band reportedly refused any government assistance. The variety of work reported in the Treaty 4 area included providing labour services to Home Farm operations, providing freighting services, and getting wood

cutting contracts, such as the 4,000 cord contract which had been won by the Sioux (AR, 1881).

In the Battleford District of Treaty 6, Hayter Reed announced a policy of hiring Indians to provide labour and other services (AR, 1881). The work performed in 1882 included the construction of the forty mile trail from Fort Pitt to Frog Lake, including the construction of bridges. Cordwood sales were also reported (AR, 1882, xiv). In 1882, lucrative labour services were reported off-reserve in the Treaty 4 area (AR, 1882, p. xii). Non-treaty Sioux were reported frequently employed by the settlers to assist in farming and other work (AR, 1884).

3.10 Summary. By 1885, the cash economy in the Northwest Territories had developed significantly. Prior to 1879, almost all the cash in the hands of Indians came through annuity payments. But with the settlement on reserves, the beginnings of a commercial reserve economy could be seen. Sales of agricultural produce provided access to the growing cash markets of the Northwest. Moreover, this cash was used to supply necessities which the government was reluctant to provide.

The development of reserve farm operations included land improvements and purchases of agricultural equipment through marketing of surplus produce. In addition to these efforts, cash resources were bolstered by wage labour and contractual

services, such as construction, agricultural labour, freighting services and wood cutting.

These accomplishments were made in the face of enormous difficulties. They were made amidst a dramatic shift in lifeways from hunting to settled agricultural life. Agriculture proceeded only fitfully, impeded by an insufficient quantity and quality of agricultural equipment, by a lack of appropriate farm technology for Canadian plains conditions, by instructors who were often incapable of doing the job, and by a Department which was already looking to cut its expenditures and impose a regime of paternalism and tutelage over the Indians which threatened to smother their efforts.

This period saw an enormous growth of the cash economy. From a largely barter economy, with few cash transactions in 1869, the Northwest economy flourished during the next fifteen years. The treaty trade provided an initial impetus to the cash economy. This was soon supplemented by the large-scale purchases of provisions, equipment and labour services by the Department of Indian Affairs, the Northwest Mounted Police, and the territorial government. By the end of this period, the reserve economy, supplemented by off-reserve labour services, was also making a substantial contribution to the burgeoning cash economy of the Northwest.



## CHAPTER 4

### 1886-1896: RESERVE DEVELOPMENT WITH RESTRICTED ACCESS TO MARKETS

4.1 Market growth in the Northwest. Population growth in the Northwest Territories was indicative of the growth of markets. The estimated 1881 population of the entire Northwest Territories, including the far north was 56,446. More than eighty percent were Indian. In the areas roughly comparable to the Assiniboia and Saskatchewan Districts (in the 1885 census), 19,114 people were counted in 1881. The population grew rapidly due to immigration (Census of Canada, 1880-81; Census of the Northwest Territories, 1884-85; Census of Canada, 1891; Census of Canada, 1901).

In 1881, Indians outnumbered other residents of the Northwest by four to one. By 1885, non-Native outnumbered Indian and Metis. By 1901, the Indian population in Assiniboia and Saskatchewan had fallen to 10% of the total population (See Table 4.1).

The increase in the number of industrial establishments, the value of capital invested and the employment in them, as well as total employment in the Northwest Territories were also indicative of market growth. Table 4.2.1 shows that the number of industrial establishments and the value of investment grew fifteen fold from 1881 to 1891; industrial

employment and the wage bill grew ten fold; and total employment in the territories rose five fold.

Table 4.1  
Census Population in Assiniboia and Saskatchewan  
Districts, Northwest Territories 1885-1901

District	1885				1901			
	Indian	Metis	Non-Native	Total	Indian	Metis	Non-Native	Total
Assiniboia East	4,221	878	15,472	20,571	2,921	1,215	45,557	49,693
Assiniboia West	271	363	1,150	1,784	900	292	16,500	17,692
Assiniboia, Total	4,492	1,241	16,622	22,355	3,821	1,507	62,057	67,385
Saskatchewan	6,260	2,594	1,892	10,746	5,836	5,834	14,009	25,679
Total	10,752	3,835	18,514	33,101	9,657	7,341	76,066	93,064

Source: Census of Canada 1901. Census of the Northwest Territories, 1885. The Census of 1891 did not collect data on this basis.

Table 4.2.1  
Indicators of Market Growth: Northwest Territories,  
1881-1891

Indicator	1881	1885	1891
Number of industrial establishments	24	150	375
Value of industrial investment	\$104,500	\$750,000	\$1,713,179
Number employed	83	546	1,081
Wage bill	\$35,425	\$186,917	\$425,153
Annual average industrial wage	\$427	\$342	\$393
Total employment (agricultural, commercial, service, industrial, professional and other)	4,000	16,598	21,931

Source: Census of Canada, 1881 and 1891. Census of the Northwest Territories, 1885

Table 4.2.2  
Indicators of Market Growth: Assiniboia and Saskatchewan  
1885-1891

Indicator	1885	1891
Number of industrial establishments	90	232
Value of industrial investment	\$563,351	\$589,403
Number employed	331	485
Wage bill	\$96,812	\$140,174
Annual average industrial wage	\$292	\$289

Source: Census of Canada 1891. Census of the Northwest Territories, 1885

Table 4.2.2 provides similar data on the Assiniboia and Saskatchewan Districts alone for 1885 and 1891. The smaller

growth in these Districts and a declining industrial wage from 1885 to 1891 as compared with the Northwest Territories as a whole suggests a degree of maturity. The further north and west one travelled, the higher wages tended to be. In 1891, in Assiniboia East, the average annual wage was \$178.98; in Saskatchewan, \$294; in Assiniboia West, \$330; and in Alberta, \$478. Falling wages, as well as declines in other prices, were a characteristic feature of the settlement process.

The transportation infrastructure also grew during this period. The transcontinental railroad was completed in 1885, along a more southern route than had originally been planned. More and more miles of rail line were laid each year, connecting towns in Saskatchewan with the main line. Townspeople lobbied for rail lines to be located near them so as to improve access to more distant markets for agricultural exports and industrial imports.

From their beginnings with treaty trade and provisioning of government agencies, such as the Department of Indian Affairs and the Northwest Mounted Police, markets grew rapidly. In these frontier markets, supply soon outstripped demand for many products. Until the rail lines came to within easy wagon distance of farms, the extent of agricultural, especially grain markets, was geographically limited. For example, the Prince Albert Times reported in

1889 that Prince Albert area grain farmers threatened not to put in a crop as a protest against the absence of a rail line (cited in Saskatchewan Herald, May 15, 1889).

Every opportunity was seized by commercial interests in the Saskatchewan District to promote further expansion of rail lines. For example, reports of land scarcity in Manitoba provided the Saskatchewan Herald an occasion to call on the government to develop more rail lines so that the abundant land could be settled and cultivated.

Increased supply in relation to demand put downward pressure on prices. In the late 1870s, Dewdney had cited the high cost of provisions, labour services, cattle and all commodities in the Northwest as causes of high departmental expenditures. A decade later, in 1888, the Saskatchewan Herald noted that "the price of almost every other commodity has fallen within the past few years and it is not to be expected that wood and hay can escape the general decline" (Saskatchewan Herald, March 31, 1888).

Suppliers attempted to maintain high prices. In tendering to supply government needs, suppliers observed a policy of placing bids within a known range. Whenever a lower bid was placed, the merchants complained of 'price breaking'. Merchant agitations were carried out against the 'Indian competition', which was held to be responsible for price breaking. D.L. Clink, who claimed to represent

agricultural interests, headed those opposing Indian competition in the Battleford area. In many meetings called for the purpose, he put forward resolutions calling on the government to ban sales of firewood, hay and produce in Battleford by Indians (Saskatchewan Herald, March 31, 1888; October 18, 1888).

Clink's views were not universally held. The Saskatchewan Herald ridiculed and criticised them. The arguments offered by the paper over a six month period included:

1. Price declines are not due to Indian presence in the market, but are rather part of a general depression of prices in the Northwest.

2. Indians supplies did not affect the establishment of the market price; rather Indian supplies would come onto the market at that established price. The Herald apparently held the view that additional supplies of goods would not affect market prices.

3. When prices did change after the entry of Indian suppliers, this was not due to the Indian supplies *per se*, but was "brought about by purchasers taking advantage of the Indians."

4. Against those who proposed that Indians raise cattle on hay rather than bring hay loads to market in Battleford, the Herald laid the charge of creating a "remedy worse than

the disease", since this would lead to a glut of the market for beef, with greater aggregate monetary effect than in hay markets, since "beef brings in dollars while hay brings in dimes."

5. Finally, the Herald noted that there are two sides to the market; if farmers keep prices high, then consumers suffer, while if prices are lower, then consumers benefit. Therefore, the defense of high prices against "price breaks" is not necessarily desirable, since it could "shift the burden from one group in the community to another" (Saskatchewan Herald, October 18, 1888).

These arguments were complemented by letters to the editor making the case for greater Indian participation in the market (March 31, 1888). They did not stop the Commissioner from responding favourably to the farmers' demands. Reed promised that the Department "would do whatever it reasonably could to prevent the Indian from entering into competition with the settlers during the present hard times" (Saskatchewan Herald, October 18, 1888). Indeed, Reed went so far as to arrange to divide up the different markets among different sections of the population: cordwood for the Metis, sale of grain for non-native settlers, and Indians were left to supply some wood to the agency and industrial school, and to sell surplus

grain to the Department, albeit at low prices (Carter, 1990, p. 188).

The complaints against Indian competition in markets were soon extended to the question of access to hay lands. As settlement increased, and the livestock industry grew, there was competition for increasingly scarce hay lands. The Dominion government issued permits for haying on Crown lands. In Assiniboia East, which had been settled earlier, conflicts had already emerged between Indian bands and settlers over access to vital hay lands. The hay lands were used by the Indians both for feed for livestock and as a cash crop. The settlers resented the setting aside of crown lands - and even reserve lands - for Indian haying purposes. Indian agents sometimes came upon men illegally haying on Indian lands and men who had apparently been granted permits to hay on reserve lands without the knowledge of the Indians or the Indian Agent (Carter, 1990, pp. 185-190).

Hay lands also became an issue in the Battleford area. On that issue, the Herald joined the agitators in protesting the reservation of additional hay lands for Indians. The ranchers complained that additional hay lands had been reserved for Indians in the Round Hill area where eight stock farms, with 1,200 head of cattle, needed access to hay. The Saskatchewan Herald editor offered the opinion that:

There can be no objection to securing to the Indians all the hay needed for the support of their rapidly increasing herds of cattle; it is against the reservation of excessive quantities that protests are being made. To tie up more hay land than is really required is to throttle an important agricultural industry in its infancy. (December 25, 1889, p. 2)

As a result of these protests from Battleford, the Minister of the Interior notified the land agent at Battleford to make no further reservations of hay lands for Indians until need was proved (Saskatchewan Herald, January 29, 1890). And in the fall of the same year, Reed responded favourably to a request from Clinkskill, the M.L.A. from Battleford by reducing Indian hay lands in the area by 3.25 sections.

There were also increasing numbers of unemployed hands in communities, with the result that wages came under downward pressure. Between 1881 and 1885, the average annual industrial wage in the Territories as a whole fell by 20%. The Saskatchewan Herald used the occasion of a report of good harvest to offer the opinion that the unemployed workers would be wiser to homestead than to sit idly in town waiting for work (Saskatchewan Herald, July 28, 1888). Indian labour for farm work, freighting, and in wood cutting was viewed as another source of competition. Indians were encouraged by the Department to develop contract work in a variety of areas: burning lime, picking wild hops, cutting wood, contract harvesting of settlers' land, and other activities. "So much care has been exercised in the



development of contract work, as an aid to self-support, that serious complaint has been made by some settlers of the effect of this competition upon them" (AR, 1888, p. 127).

A picture emerges in which Indians are viewed as properly having a peripheral relationship to markets. Competition from Indians in markets was viewed as inappropriate. At times, this competition was called unfair because it was subsidized by government provisioning of Indians. To the extent that this was true, it was argued, Indians would break prices, whether for grain, for hay, or for labour services. A letter to the editor of the Saskatchewan Herald observed favourably that the wood, hay and grain that the Indians bring to market in Battleford to "eke out their small rations" was sold more cheaply than by any settler, and that they work for wages "two-thirds less than that of the white man" (P.C. Pambrum, Saskatchewan Herald, March 31, 1888, p. 1). In 1890, the editor denounced such views when they appeared in the Toronto Globe, arguing that "in dispensing his peltries, the Indian is no fool..." and moreover, that "competition among buyers is too keen to permit of any such robbery" (Editorial, Saskatchewan Herald, March 5, 1890, p. 2).

A black market grew up in areas outside of the control of the Indian Agent. Some goods, such as furs and game, and private property in horses and oxen, the Indian had every

right to sell unhindered by the Indian agent. However, the agent did have the right to intervene in the sale of grain, root crops, and livestock or meat products which were the product of animals given under treaty or on loan to Indians.

A glimpse of the black market is gained from the pages of the Saskatchewan Herald in 1888. Clink, who had called a meeting for the purpose of agitating against the right of Indians to sell produce in Battleford was ridiculed by a letter writer who noted that after the meeting Clink had sought to make a purchase of forty bushels of root crops from an Indian seller. The writer observed that Clink, who was agitating against the sale of Indian produce, asked the Indian to go to the Indian agent to obtain a permit to make the sale. (March 31, 1888, p. 1) Clink denied the charges the next week (April 7, 1888, p. 1), and a week later an indignant letter argued that Clink, unlike many others, had followed the proper course: "There are few of us who, if we wanted roots, but would take a quieter and cheaper way to procure them" than through the Indian Agent (April 14, 1888, p. 1).

During the period from 1885 to 1896, markets for hay, flour, wheat, cattle, and pork relied to a considerable extent on government tenders, especially in the Saskatchewan District. The Department of Indian Affairs placed annual tenders for large quantities of these provision goods. Even

when the government placed tenders with a preference for local procurement, bidders were hard pressed to maintain prices in the conditions of growing supply.

More importantly for local market conditions, Department spending was falling dramatically - by more than 30% from 1886 to 1896. Expenditures for provisions fell from \$563,000 in 1886 to \$176,000 in 1896, a decline of \$387,000 or 69%. Agricultural assistance expenditures fell from \$111,000 in 1886 to \$11,000 in 1896, a decline of \$100,000, or 90%. Taken together, these two sources of Department spending had fallen by nearly \$500,000 in 1896 as compared to 1886.

In conditions of falling prices, the physical volume of provisions required by the department would have fallen by less than the dollar figures suggest. Nonetheless, the amounts were substantial. Annual Reports detailed the extent to which the material provisioning requirements fell year by year. For example, in his 1892 Annual Report, the Commissioner explained that:

...last ... year as shown in my report, there was effected an aggregate saving in the distribution of destitute supplies of three thousand nine hundred and thirty-three sacks of flour, sixty-four thousand five hundred and thirty-seven pounds of bacon, and one hundred and ninety-six thousand five hundred and forty-six pounds of beef.

During the year 1891-92, a further reduction in quantities of such assistance has been made as follows:-

in flour two thousand four hundred and sixty-three sacks; in bacon twenty-five thousand five hundred and sixty-eight pounds, and in beef in two hundred and fifty

thousand eight hundred and thirty-seven pounds, or during the past two years... (AR, 1892, p. 46).

Efforts were made by local business interests to induce increased government spending, at least in part with the motive of bolstering trade. The Saskatchewan Herald, for example, used the occasion of false rumors of unrest among the Indians to urge the government to increase the size of the police detachment at Battleford (April 14, 1888). The Prince Albert Times pointed out that the request had been made "not so much to overawe the Indians as to spend money in the place" to help overcome "dull times" in the economy (cited in editorial, Saskatchewan Herald, April 14, 1888, p. 2).

The market power of government buyers in local markets was indicated by their ability to break prices. Commissioner Herchmer of the NWMP bore the brunt of on-going criticism for his continual efforts to break prices on hay tenders. His policy was to accept the lowest tender, and then let out the entire NWMP hay contract in fifty ton lots at that price, with all bidders having an opportunity to supply at that price. In August, 1888, the Saskatchewan Herald reported on a break in the price on the police hay contract, where most tenders ran \$9 to \$12 per ton; the police accepted a bid of \$7.73. ("The Police Hay Contract", August 4, 1888, p. 2) Herchmer once used Regina hay prices to set prices for hay contracts in Battleford, and otherwise

incurred the ire of local suppliers (Saskatchewan Herald, Sept. 24, 1890; Oct. 1, 1890).

Markets were affected not only by reduced government purchases. Indian reserve agricultural surpluses also augmented the market supply of grains, root crops, beef and other agricultural products. Indians also harvested wood and hay for market and provided a wide range of labour services. A touring newspaper editor from the Sydney Advocate suggested that "agitation lately started among the white settlers to protest against the grain hay and wood markets of the district" signalled the degree of Indian success in agriculture (Saskatchewan Herald, January 30, 1889).

This picture of market growth does not square with the idea of the self-sufficient farmer as the decisive factor in the development of the agricultural frontier. Growing markets were important before large scale immigration and settlement in what are today Saskatchewan and Alberta. Vernon Fowke argued, on *a priori* grounds and on the basis of documentary evidence, in relation to the settlement of the St. Lawrence Valley, that "the assumption of the self-sufficiency of the pioneer farmer is incorrect. ...the Canadian pioneer was at no time self-sufficient. ... he was from the beginning of his migration and throughout his pioneer days inseparably tied in with the price system and the urban economy on a national and international basis"

(Fowke, 1957, pp.14-15). The same *a priori* grounds adduced by Fowke in connection with the St. Lawrence Valley also held true in the case of western Canada: the capital brought in by immigrants; the necessity to transport immigrants and goods; the requirements of a transportation and provisioning infrastructure; all these implied integration with the price system.

The settlers did not settle in a vacuum in the Territories. It has been shown that the Indian played a decisive role in the creation of the first cash markets of the Northwest, directly through the treaty trade and indirectly through the activities of the Department of Indian Affairs.

The policy adopted by the Department of Indian Affairs has been portrayed as an embodiment of the myth of self-sufficiency (Carter, 1990). This was true to a great extent. The pass and permit systems, the retrogressive 'peasant agriculture' doctrine explicitly enunciated by Reed, and the educational policy of the industrial school were evidently grounded in the popular doctrine of social evolutionism. That doctrine was also used to legitimize the marginalization of Indians in markets, giving preference to the emerging commercial, especially agricultural, interests of the Territories. The myth of the self-sufficient Indian farmer, imagined as a prairie version of an Eastern European

peasant, provided the rationale for a government policy of autarky and containment of Indians from access to commercial markets.

However, that portrayal of government policy and practice can become a caricature if not balanced by the other elements of the self sufficiency policy. The policy of self sufficiency is more appropriately called a policy of "self support", which expresses more clearly the idea that the immediate aim of the policy was not the ideological remolding of the Indian, nor even the alleged civilising effect of agricultural toil, but the reduction to an absolute minimum of all expenditures on Indians whether for provisions or for agricultural assistance. Only education expenditures would be exempted from expenditure reductions, on the Larmarckian social evolutionary grounds (Jones, 1980; Degler, 1991) that newly acquired characteristics, reinforced in a school environment which admitted of no retrogressive parental influence, would produce a generation ready to be fully integrated into the 'civilised' nineteenth century society.

Before turning to government policy, however, it is desirable to examine briefly one other precursor to and major influence on Indian policy in the ensuing decade -- the Northwest rebellion in 1885. The rebellion helped to shape the government's views on the dangers of 'tribalism'

and the need for stricter measures for the control of movement and activities of the Indians of the Northwest.

4.2 Prelude to new policies: 1885 and its aftermath. In 1883 and 1884, several chiefs openly resisted the starvation policy to force them to settle on reserves. They developed a diplomatic initiative to unite the Plains and Woodland Cree behind demands for an enlarged Indian territory and Indian independence from government tutelage. While Indian and Metis/settler concerns focused on a common issue - the encroachment of Canadian administrative authority - their specific concerns differed. These two sections of the population of the Northwest Territories did not strike an alliance for common action (Friesen, 1987, pp. 150-156). Cree military actions, such as the seizure of the HBC store at Frog Lake, and stores at Fort Pitt, Lac La Biche, Cold Lake, Green Lake and the town of Battleford coincided with, but were separate from, the Metis/settler uprising (Friesen, 1987, p. 153).

The government acted with a vengeance to subjugate the Indians. Hayter Reed's correspondence displayed relish for inflicting punishment, including mass hangings, on rebellious Indians. He displayed a colonialist's petulance at native resistance to his tutelage and care.

In this uneasy situation, the government eased its starvation policy after 1884 (Friesen, 1987, p. 152)



replacing it with a policy of blandishments for the loyal and punishment for the disloyal. In the aftermath of the rebellion, Dewdney pursued the policy of punishment vigorously: 81 Indians were charged, and 44 jailed, compared to charges laid against 46 metis, with 7 jailed. The "policy of reward and punishment" is described by Indian Commissioner Dewdney in his annual report for the year 1885-86:

The policy of rewarding those who proved faithful and depriving the rebels of their annuities has worked admirably. This latter course, which should be continued - at any rate, until they have paid for the property they wantonly destroyed - affords a most effectual means of keeping alive in the memories of those, only too ready to forget, the certain consequences of such misconduct as that of which they were guilty, and as they are provided as they were before with food and clothing, the temptation to commit outrages is removed.

...Another good result of this policy is to be found in the fact, that, owing to the rewards of the loyal having taken the form --to a great extent -- of presents of cattle, the herds which we so unfortunately destroyed last year, are in a fair way to recover their proportions. (p. 106-107)

This was a tacit admission of the source of the "temptation to commit outrages" - namely, a policy of starvation side by side with storehouses of food and clothing. The events of 1885, however, were important for the shaping of government policy in the ensuing decade. They were particularly important in reinforcing the doctrine of social evolutionism which was prevalent in scientific

circles, according to which tribalism was incompatible with progress and civilization.

Government policy toward Indians was guided in part by a doctrine of scientific racism, in particular that of social evolutionism. Prior to 1885, the doctrine was applied in a way which appeared to admit of a fairly rapid transformation from the hunting lifestyle of the plains to a sedentary agrarian life. Prior to 1885, annual reports regularly reported an expectation that Indian reserve farms would soon succeed both as a means of feeding the Indians, thereby reducing the need for rations, and even succeeding as commercial ventures. It appeared that in many respects, these expectations were justified, as data on cultivated acreage, crop yields, and capitalization of Indian farms through the sale of produce suggested.

After 1885, and particularly after Hayter Reed became Indian Commissioner in 1888, the doctrine of social evolutionism was more extensively articulated, and implemented in ways which destroyed and undermined much the progress made up to about 1888. Policies which had been adopted for one reason in the past came to be re-interpreted in light of new conditions.

The permit system, which introduced agent oversight of Indian sale, barter or present of reserve products was reinforced by an Order in Council in 1880 mainly to prevent

the dissipation of gains of agriculture through sharing food with those coming in from the Plains to settle on reserves, placing strain on reserve resources. After 1888, the permit system was strengthened to strictly limit Indian access to markets, as settlers began to complain about Indian agricultural and ranching competition.

Retrenchment called for the reduction of expenditures on Indian Affairs; the doctrine of social evolutionism was interpreted to justify the de-mechanization of agriculture, and thus to justify the virtual elimination of expenditures on agricultural equipment. On the grounds that advance to a civilized state could only take place very gradually, at a pace much slower than was in fact being observed, Reed announced a policy forbidding Indian use of farm machinery. Any use of Department funds to purchase any equipment, tools or implements or any kind was forbidden. Agents were instructed that Indians were to make any hand tools that they required.

Prior to 1885, agricultural assistance had been considered necessary to make Indians successful in provisioning themselves and prosperous as farmers in the emerging economy of the Northwest. "Self-sufficiency", which had admitted of a involvement in the market, was reinterpreted as a policy of subsistence agriculture. Where previously it had been positively remarked that Indian

agriculture had advanced to a point of competitiveness with surrounding farmers, now the argument was advanced that the Indians must follow agricultural practices which were sustainable without government assistance. The starting point was no longer production for market with "labour-saving machinery", but peasant agriculture for self-sufficiency.

Nonetheless, Indians continued to acquire equipment throughout the period. In some cases, Indian farmers managed to amass considerable machinery. The equipment was on the whole insufficient. But that purchases continued regularly throughout the period showed that the issue as the government saw it was not whether or not Indian agriculture ought to be equipped, but rather who ought to pay for it.

This was also a motive in the development of a cattle loan program: the capital outlay and ongoing maintenance costs were less than in an increasingly mechanized and extensive grain agriculture. Other motives were also present, such as concerns about climatic influences on the consistency of grain production, given the state of techniques and strains of wheat available at the time.

Although it is not possible to explore fully here the intellectual and ideological background of the social evolutionary doctrine which provided the rationale for policy, it is possible to show how such rationalizations

were explicitly used in department reports to justify the course of action proposed by the government. Department officials explicitly saw their mission as the redemption of the Indian from savagery to civilisation. In the words of then Deputy Superintendent Hayter Reed (AR.1893):

The problem which confronts the department in the territories is a most difficult one: to redeem from a state of partial savagery a horde of Indians dominated by tribal law and aboriginal customs and to transform them into competent agriculturalists, ranchers or mechanics. ...if progress continues ...it will not be long before the Indians of the North-west Territories will be able to provide themselves with the necessities of life. ...The policy of the department tends to strengthen the individuality of each member of a band, to bring out whatever power of imitation or invention he may possess, and the result of this policy will be develop in the speediest manner possible the self-reliance of the whole band. (p. xvii)

The problem was seen to be tribalism, which stood in the way of economic success, in part because it was antithetical to individualism. But, by the doctrine of social evolutionism, adaptation to the environment takes place at the level of the individual person. Therefore, accomplishment by individuals must be fostered. The characteristics of industry that individuals acquire could then be passed along to future generations, as well as transmitted to neighbours through example and emulation.

Moreover, because children are influenced by their parents, it was deemed necessary to isolate the youth from parental influence. The industrial school was designed as an environment in which the youth would learn the skills needed

for animal husbandry, farming or industrial work, but would also be isolated from tribalist tendencies. The social evolutionary doctrine supposed that the characteristics acquired by these youth would then be passed along to future generations through a kind of Lamarckian social genetics.

Hereditary traits, as used in the Annual Reports at this time, did not refer to traits which were innate and immutable. It referred to characteristics which could be acquired by one generation and then passed on to future generations. Heredity was a much more plastic concept then than now.

The rationalisations offered by the Department were not always consistent. At times, the appeal to hereditary characteristics was made to draw opposite conclusions. Consider the case of cattle raising. In 1886, the Deputy Superintendent noted that: "Cattle raising is an industry more congenial to the taste of the generality of Indians, as is evidenced by the care bestowed as a rule by them upon their animals..." (AR, 1886, lxxx). But in 1888, in order to account for the what he saw as a remarkable movement toward "self-sustenance", Dewdney stated that "it is little to be wondered at if the progress of such a people is not rapid in pursuits so uncongenial to their tastes and opposed to their inclinations, as the plodding occupations and steady habits

of husbandman which they have now to adopt..." (AR, 1888, p. xiv).

This example suggests that at least part of the domain occupied by the social evolution doctrine was rhetorical, and not entirely intended as a philosophical foundation for policy formation and practical activity of the department. Future work could be carried out in this area, exploring the extent to which the rhetorical and philosophical are operating on different occasions. The appearance of contradictions between rhetoric and policy indicates a need for caution in identifying a doctrine with practice. For example, the peasant model of agriculture enunciated by Reed does not appear to have been widely introduced. On the contrary, Indians managed in many instances to continue to acquire equipment, and to shape their occupations on and off reserve to meet the requirements not of self-sufficiency in a peasant farm environment, but self-support in a market economy, albeit a market to which access was largely restricted and channeled by the Indian agent.

There was certainly an interaction between the rationalisations provided and the measures proposed and implemented. But they ought not be viewed as the only factor contributing to policy. The idea that labour saving devices ought not be used is advanced on the grounds of how best to develop an economy which is "self-supporting", and that will

therefore permit a reduction of expenditure. It may have been the context of "self-supporting" rather than of "peasant agriculture" which was the decisive influence on policy.

4.3 Government policy: self-support, anti-tribalism and education. Government policy towards Indians included settlement to reserve life, regulating access to markets, and attacking 'tribalism' through increased support to schools, suppression of Indian cultural practices, and deposing chiefs and headmen while asserting the paramountcy of the Department over reserve residents.

The measures forcing settlement on reserves included the pass system, which required Indians off-reserve for any reason to carry authorization papers. The policy was instituted in the context of the 1885 rebellion, but was continued well into the twentieth century, and enforced by police, despite its acknowledged illegality (Carter, 1990, pp 145-46; 149-156; Bennett, 1974).

Access to markets was controlled by Indian agents through the permit system. The Indian agent regulated both sales and purchases by Indians. That system had been authorized by the Indian Act of 1876, reinforced by an Order in Council in 1880, and further strengthened after 1888 to curtail as far as possible Indian access to markets to sell agricultural surpluses and purchase agricultural equipment.



The department even sought legislation to forbid the giving of credit to Indians (AR, 1891, Superintendent General of Indian Affairs, pp. xvii-xviii).

As noted above, after 1890, Reed strictly regulated Indian access to farm equipment. The argument made for this policy was cloaked in terms of the moral and social uplifting of Indians; it would teach the virtue of hard and consistent labour. Moreover, it was argued that while labour shortages made the use of labour saving equipment desirable by the non-Indian settlers, labour surplus on reserve made a machine-free agriculture viable and even desirable. The policy was articulated in the annual report of the Department of Indian Affairs in 1892, where Reed cites the circular letter he had sent to agents two years before:

No doubt however, the mainstay of the great majority of Indians must be farming, and it is therefore most important to teach this industry in the manner best calculated to render them self-supporting when left to their own resources, as well as at the present moment. Suppose, therefore, that an Indian confine his operation to a single acre. From this he should, in an ordinary year, raise, at a moderate computation, some eighteen bushels of wheat (where this can be successfully grown) which, after making all necessary deductions, will give him nearly, if not quite, five bags of flour.

Assisted by his family there is nothing to prevent his planting a portion of a second acre, with roots and vegetables, sufficient to supplement his flour to the degree of making it last for a good portion of the year.

Add to this the product of a cow or two, and the man has made a long stride toward independence.

Yet this is commonly accomplished by peasants of various countries, with no better implements than the hoe, the rake, the cradle, sickle and flail.

The necessary use of these instruments can never be acquired if Indians be encouraged to contemplate the performance of their work by such labour saving machinery as can rarely be obtained and kept in repair entirely by their own resources. (Indian Commissioner Hayter Reed, AR, 1891, p. 193)

Reed admitted that the policy met with considerable resistance by Indians. The peasant farming policy was also protested by Indian leaders, who petitioned the House of Commons for relief from it. Pasqua and Muscowpetung's headmen complained that the Agent prevented them from selling their produce, or from using the proceeds of sales to buy farm machinery (Carter, 1990, p. 225; Reed Papers, vol. 13, no. 960). Reed attributed this to laziness and a preference for sitting about smoking their pipes rather than working the land without tools. Confronted by the arguments of his own agents that the policy was impractical in a climate with a short growing season, Reed responded by proposing that emphasis be placed on root crops (potatoes, turnips and carrots) rather than grains.

Reed attempted to rationalize this policy as one of consciously paced social evolution from 'savagery' to 'civilisation'. However, he was willing to set aside the policy when it meant increased opportunities for earnings which would contribute to any reduction in expenditures for provisions. He noted that those who are independent of

government assistance cannot be restrained from purchasing equipment with their own earnings (AR, 1891, p. 193) and that Indians should be permitted to sell surplus livestock to encourage further production. Control of Indian access to markets allowed the Department to direct Indian purchases which otherwise would have been spent on equipment to be spent on goods such as food, clothing and other necessities. This permitted a further reduction of government expenditures.

Insofar as the policy had been based on a notion of independence from markets, it would necessarily fail. Just as the success of the plains Indian lifestyle was not independent of the fur trade, Indian agriculture was not independent of the market. The problem facing Indians was to find ways and means to gain access to markets. This was done with some success. In fact, the government supported every initiative of Indians to gain contracts since earnings from market activities would help to further reduce government expenditures on provisions.

The assault on 'tribalism' took several tacks, including promotion of individual landholdings and the replacement of the authority of Chiefs by the authority of the Indian agent. Associated with the peasant agriculture model was the idea of farming in severalty; that is, on individual landholdings. Some Indians well understood the policy as one

designed to restrict Indian agricultural activities to small scale landholdings (from 40 to a maximum of 160 acres) and one which would eventually be used to justify the surrender and sale of "surplus", unused, reserve lands. The superintendent addressed those concerns in his annual report of 1888, where he complained that "it is greatly to be regretted that any Indians should be so lacking in intelligence as not to recognize the advantages which must accrue to their people by the introduction of such a manifestly correct system among them" (p.x). He attributed opposition to this "correct system" to Indians who had already "acquired possession of more land than they think they would be allowed to retain were a fair distribution of the land in the reserve to be made". He accused opponents to severalty of spreading the belief that the government plans to tax Indian lands and of wrongly implying that the remaining lands of their reserves would be surrendered and sold. The charge that there Indians with large holdings under cultivation was belied by the department's own published data on the number of farmers and the size of their operations on each reserve in the Northwest Territories (See section 4.5.2 below).

Another tack was to undermine the authority of chiefs. As chiefs died, they were not permitted to be replaced; some who were deemed 'disloyal' or 'unprogressive' were deposed.

The aim was to make the Indian agent the sole person with authority on reserves, who would deal directly with individual Indians rather than go through chiefs.

The most important new development in the government's policy in this period, as reflected in expenditures, was the promotion of schools. At the beginning of the period, both day schools and residential schools were operating, but on a relatively small scale. Soon, schools became the largest single item of expenditure of Indian Affairs in Manitoba and the Northwest Territories. The object of the schools was, first and foremost, to produce a generation who would be raised in an environment which would impart values, beliefs and practices different than those of their "superstitious and ignorant parents" (AR, 1888). The Superintendent said in his 1896 Annual Report:

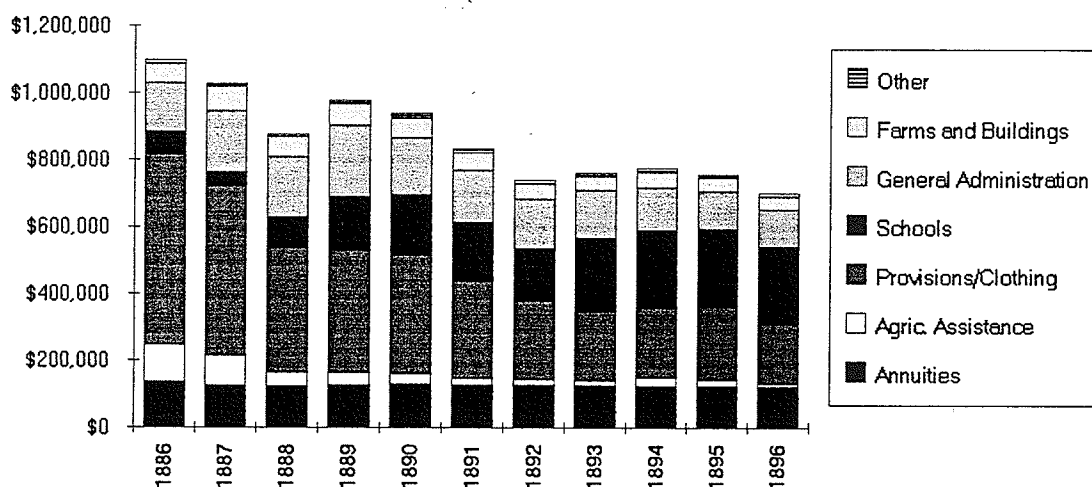
...it is submitted and earnestly pressed that the most essential lever for the elevation of a race would be the adoption of a vigorous policy of imparting to the young a thorough practical knowledge of mechanical arts and of agriculture, as well as of other employments, including a systematic method of ordering and managing their domestic efforts - in short, a complete training in industries and in domestic economy. (p. x)

Efforts were consequently directed increasingly to creating residential and semi-boarding schools, usually run by a Christian religious sect, in preference to day schools.

4.4 Government expenditures. The policy had the desired dramatic effect on government expenditures in Manitoba and the Northwest Territories. Figure 4.1 shows that these

expenditures declined by 36%, from their highest point to date in 1886 (only 1882 expenditures were at a similar level), to the lowest point they would reach ever again in 1896.

Figure 4.1: Government Spending on Indians in Manitoba and the Northwest Territories, 1886-1896.



Source: Annual Reports, Department of Indian Affairs

Annuities remained more or less constant, rising slightly after 1889 as a result of new adhesions to Treaty 6 by William Charles (Montreal Lake) and John Roberts (Lac La Ronge). General Administration, farms and agency buildings and "other expenditures" declined by less than the overall decline of 36%.

The two major class of spending hard hit by retrenchment were agricultural assistance and provisions/clothing. Agricultural assistance to Indians in Manitoba and the Northwest was more than \$111,000 in 1886; it fell steadily, to below \$11,000 in 1905, a decline of more than 90%.

Expenditures on provisions and clothing fell by 68% from \$568,918 to \$179,274 over the eleven years.

Both policies caused hardship to the people. In their 1893 protest, Pasqua's and Muscowpetung's headmen noted that provisions were being denied to the sick and elderly. Reed replied that Treaty Four made no promise of help for those unable to work; that was the responsibility of friends and relatives, not of the government (Carter, 1990, p. 225). The cutbacks in agricultural assistance could mean devastation to livestock. But the loss of livestock in the unusually long winter of 1892-93 was remarked as a "lesson in prudence" for the Indians (AR, 1893, p. xvii).

The reason that overall spending did not fall by more than 36% with the substantial reduction of the largest component of expenditure was the increased spending on schools. School spending more than trebled from \$66,242 in 1886 to \$228,852 in 1896.

#### 4.5 Indian reserve economic development: 1886-1896.

Indian reserve economic activity developed within the constraints of the government policy environment. Annual Reports of the Department of Indian Affairs during this period provide detailed records of population, acres under crop by type, numbers of farmers and acreages cultivated, at the reserve level. Other data, such as agricultural implements, number of livestock, and earnings of individual

Indians resident on reserves (insofar as the Indian Agent was able to monitor these activities) were published on an agency basis. These permit examination of the economic progress of Indians over this period. This period is the first and last for which such detailed information is provided.

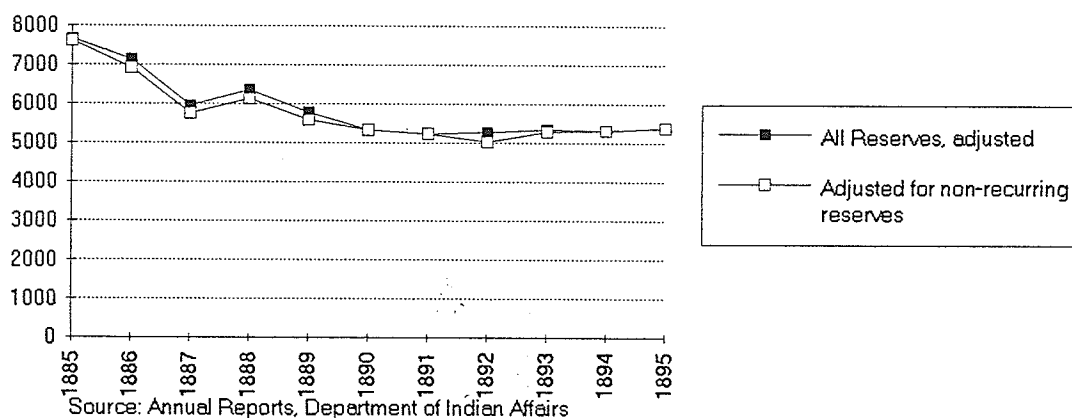
The detail - down to the level of individual farmers on each reserve - reflected, in part, the preoccupation of the Department in this period with fostering the progress of independent farm producers, organized in severalty. It also reflected the self-concept of the Department as a paternalistic colonial administrator, collecting in careful detail the data on its wards. It is useful for examining the economic development on reserve during this period, despite the shortcomings in the data arising from the incompleteness or inaccuracy of agent reports, and to clerical errors made when processing the information to the print stage.

4.5.1 Population. The population of Indian reserves in what is today Saskatchewan declined by a dramatic 32% in the six years 1885 to 1891, and then remained nearly constant to 1895. Figure 4.2 shows the aggregate population on reserves in present-day Saskatchewan from 1885 to 1895.

Two different calculations are presented. One is for all reserves reporting each year, adjusted for the fact that in 1890 reports from Touchwood Hills Agency and Duck Lake



Chart 4.2: Indian Population of Saskatchewan, 1885-1895



Agency were not published, and that in 1892, no report was published from File Hills Agency. These omissions are taken into account by taking as the figure for the missing year the mean of the sum of the years immediately preceding and following the missing report. The second series is adjusted by removing those reserves which enter in some years but not in others, for various reasons. Those reserves are Kenemotoyoo, Meadow Lake and Chacastapasin.

Three factors may account for the dramatic population declines. The two major factors were very high on reserve mortality rates and outmigration from reserves. Department officials attributed outmigration to cross-border emigration and to departure from reserves to take up Metis scrip.

The third factor, noted in Department reports, was the improvement in the collection of statistics. Reed suggested that recorded high rates of mortality might be attributed in part to improved record keeping. It is reasonable to expect

that counts become more accurate as Department officials are instructed to maintain accurate records. There is, however, no reason to think that this should have resulted in a consistently declining population count.

Figure 4.2 gives government estimates of the resident Indian population on reserves in Saskatchewan agencies. The resident Indian population on reserves differs from the band population due to the presence on a reserve of non-band members, and the absence from a reserve of band members. An example is seen in the case of the Onion Lake agency. In 1885, ten bands were removed from their various reserves at Frog Lake, Stoney Lake, Long Lake and Cold Lake and situated at Onion Lake. The population on Onion Lake Reserve proper in 1885 was 221; but there were some 1,200 Indians among the ten bands altogether. Reserve numbers 119 and 124 showed an increase of only 160 in 1886 is shown over previous year, indicating that some 819 had declined to settle at Onion Lake, and were away "hunting". The report on the resident Indian population on reserves is more accurate than estimates of populations based on the number of annuitants reported by the Auditor General. The data for this period is very little affected by the changing composition of agencies.

One explanation offered by the Department for dramatic population declines in 1886 and 1887 is that some Indians

had left the country (AR, 1886, p. xlix). There was some migration to the U.S. during and after the 1885 Rebellion. This was highlighted by the deportation from Montana in 1895 of 500 Canadian Indians who had emigrated to the states in connection with the events of 1885. They were turned over to Canadian authorities at the border, and dispersed among several bands (AR, 1896, xxi-xxii). This could not have been a major factor in years after 1885; most movements into the United States after that appear to have been seasonal. Cross-border travel for weeks or an entire season was common in the early years of this period. But band members usually returned. For example, it is sometimes reported that a groups of Indians from the Moose Mountain agency bands in the south east of the province had gone south in the summer only to return later in the year.

In 1886 and 1887, Department Annual Reports also attribute on-reserve population declines to a voluntary exodus to take Metis scrip. For example, the decline by 117 people (15%) in the on-reserve Band population in the File Hills Agency between 1885 and 1886 is attributed to "withdrawals of half-breeds from treaty to enable them to participate in the land scrip" (AR, 1886, lvi). Regarding the government handling of Indians giving up status to take scrip, the Indian Commissioner reported in his 1886 annual report that:

Had all who were lured by the prospect of getting scrip, to be converted into what, for them, would have constituted a considerable sum of ready cash, been allowed to follow their inclination, the number of withdrawals would have been considerably larger than has already occurred.

As it is, however, one of our Inspectors accompanied the scrip commissioner, and the greater care was exercised to prevent any from leaving treaty in order to obtain scrip, who, when the money was received in exchange had been squandered, must have been thrown on the hands of the Government, or driven by their necessities to the commission of crime.

On the other hand, no half-breed applicant who seemed likely to be able to take care of himself, was retained in treaty against his wish (p. 11).

In 1887, the superintendent noted significant withdrawals from treaty to take up scrip in the Prince Albert, Battleford, File Hills, and Touchwood Hills agencies. He suggested that these accounted for the better part of the more than 400 persons by which those agency populations declined as compared to 1886. This was offset in part by movement onto reserves by Indians who had formerly been off-reserve hunting. The Indian Commissioner estimated that some 1,400 Indians were added to the on-reserve population in Manitoba and the Northwest Territories as a whole from 1885 to 1890 from off-reserve status.

Disease and high mortality rates on-reserve were the most troubling preoccupation of the Department during the better part of this period. Tubercular diseases make up the most often cited cause of fatal disease on reserves, although epidemics of measles (AR, 1886, 109-110), whooping

cough (AR, 1887, lxi) and scarlet fever (Saskatchewan Herald, Jan. 30, 1889 and Feb. 6, 1889) are also noted.

The department sought explanations in 'hereditary' causes. Noting the transition from a hunting to an agrarian mode of life, the superintendent reported in the 1888 annual report that:

[it is not] remarkable, if in their present state of transition from a nomadic to a comparatively sedentary and civilized life, with its attendant changes of habits and associations, the death rate is in the case of many of the bands, heavy; indeed it would be surprising were it otherwise.

Pulmonary complaints are the most prevalent and fatal diseases among these Indians; and not withstanding that medical relief is afforded, very many of those afflicted fall victims to the attacks. (p. xiv)

By 1889, the department was reporting that in most bands, natural increase was occurring with a larger number of births than deaths, but the news was overshadowed the next two years by reports that a devastating influenza epidemic was responsible for the death of "many old persons, and those suffering from diseases of a pulmonary or other chronic character" through the country (AR, 1890, p. xi; AR, 1891, p. xv).

Instructions were released to Agents regarding sanitary practices, but the effectiveness of these efforts were thwarted at least in part by the cramped, single-room dwellings which were the norm on reserves at this time. The

government recognized this problem in its 1890 report, where the superintendent pointed out that:

the most serious barrier, however, to the establishment of a complete hygeian (sic) system among the Indians has yet to be removed, and this is comprised in the badly ventilated and overcrowded houses which they occupy. This is a difficulty for which up to the present time, the Department has found no remedy, but on moral and social as well as sanitary grounds it is most desirable that the one-roomed house, which is, as a rule, the kind of domicile occupied by them, should be replaced by a building sufficiently commodious to admit of separate apartments being provided for the different sexes to sleep in and for the family to cook and eat in. (p. xv)

The concentration of Indians on reserves contributed to an increased incidence of virulent diseases, and facilitated the transmission of communicable diseases. However, the Department pronounced itself incapable of addressing the problem, through improved housing, for example, and resorted to explanations of the problem as a hereditary predisposition. It is a shameful episode of Canadian history that such a devastating destruction of the population - a third disappearing over six years - should have been justified as a necessary cost of civilising influence.

4.5.2 Agricultural developments. From the time of Treaty negotiations, the government had argued for the need to shift from the nomadic, hunting life to an agrarian lifestyle on the part of plains Indians. A major thrust of government policy was the promotion of Indian agriculture. Some researchers have suggested that the government's policy

under the general signboard of self-sufficiency from about 1888, when Hayter Reed became Indian Commissioner, was inimical to agricultural development. Carter (1990) characterizes the situation as one in which the initial progress to 1885 had become transformed into a disaster by the mid 1890s. In some measures, agricultural activity did decline from 1890 to 1896. But in other measures, farm and other economic activities, especially as reflected in money earnings, grew over the period. The patterns of development activities during the period, however, show efforts at adaptation to resource constraints (both natural and policy-induced) and market incentives.

Acreage under cultivation rose from 1886 to 1891, but then fell (figure 4.3). Reed (AR, 1895) argued that reduced acreage was not necessarily a problem:

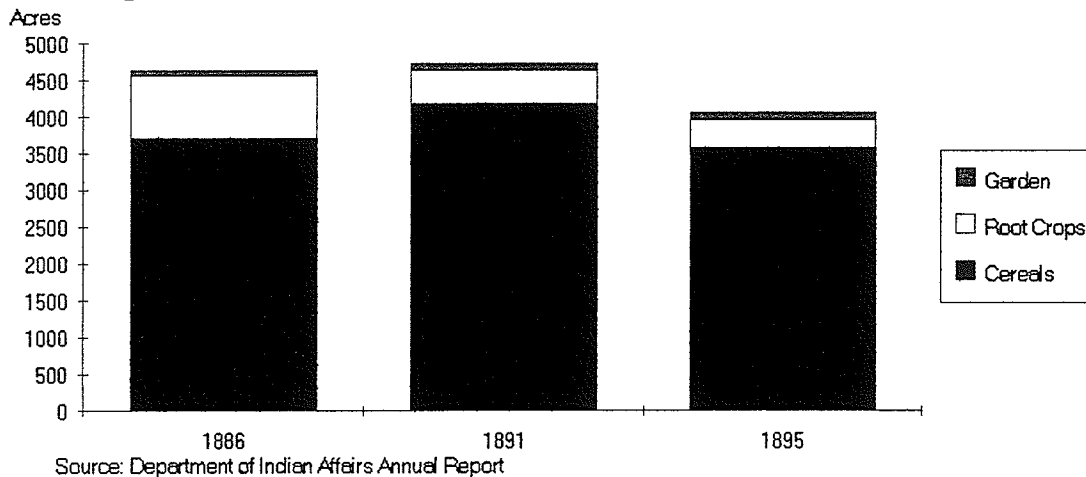
... the department does not lay stress upon a mere increase of the area under cultivation, since its policy is, at any rate in the earlier stages of development, to restrict the area cultivated by each Indian to within such limits as will enable him to carry on his operations by the application of his own personal labour and the employment of such simple implements as he would likely be able to command if entirely thrown upon his own resources... (p.xx)

He argued further that the reduction of the area cultivated might also be due to a shift towards the cultivation of roots and vegetables:

With further reference to the reduction in area cultivated within the North-west Territories, it may in part be attributed to the increasing success attending

the department's efforts to encourage the cultivation of more roots and vegetables. (AR, 1895, p. xx)

Figure 4.3: Acres under crop on Indian Reserves in Saskatchewan, 1886-1895



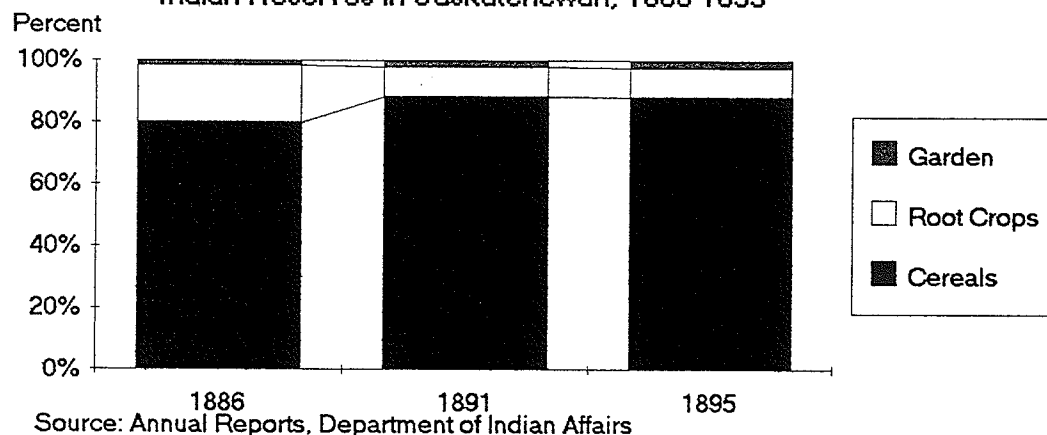
Words to the same effect are found in the 1896 annual report. However, the data provided by the Department indicates that from 1886 to 1891 there was a decrease in the total acreage under crop in roots and vegetables as well as in the proportion of acreage under crop that was in root vegetables. From 1891 to 1895, there was no increase in the proportion of acreage under roots or gardens in relation to cereal crops (figure 4.4).

Similar results are seen when acreage cultivated rather than acreage under crop is used. Cultivated acreage includes acreage under crop plus summer fallow. The practice of summer fallowing was being introduced during these years. In 1890, total land under cultivation was reported to be 7,246 acres in the agencies under consideration here; in 1895, the



acreage was 5,332, a decline of more than 25% (AR 1890 and 1896).

Figure 4.4: Proportion of acreage under crop, by type of crop, on Indian Reserves in Saskatchewan, 1886-1895



Since the population stabilized after 1891-1892, the decline of acreage must necessarily have represented a per capita setback unless accompanied by increased yields. But the problem of poor crop yields continued to plague prairie agriculture during these years. The national government had opened experimental farms in Indian Head and elsewhere in Canada where it was attempting to develop new types of trees, grains and agricultural methods appropriate for prairie conditions. During these eleven years, the department reported crop failures or poor returns of cereal grains on western reserves in crop years 1886, 1888, 1890, 1893, and 1894. In 1887, a good yield was reported. Even in the best years, the yield of wheat did not approach that

which Reed had suggested as moderate, without labour-saving devices, namely 18 bushels an acre.

The disappointment with crop yields led the department along other paths for agricultural and farm development: production of root crops, an increased emphasis on livestock as through a revolving cattle loan program (AR, 1887, 1888), and encouragement to the harvesting for market of hay and wood as products which were described as less dependent on "more favourable natural conditions", i.e. the weather (AR, 1891, p. 189). While it is picturesque to cite Reed's 'peasant farming' memorandum, that does not provide a full picture of agricultural activities on reserves, much less of the other, market-based activities which were emphasised by the department in the name of Indian self-sufficiency.

From 1886 to 1895, the department annually reported the names of individual Indians engaged in agriculture on each reserve in the Northwest Territories, the acres sown and bushels harvested in various crops. In 1886, the total number of individual Indians harvesting and sowing crops in field and garden was 663; in 1891, 672 and in 1895, 638. In 1886, the largest amount of agricultural land in crop by a single farmer on a reserve averaged 20 acres across reserves; in 1895, 16 acres. On eighteen reserves, the largest acreage had fallen and on 10 reserves it had grown;

on three it had remained constant. (Comparable data for both years was not published for a further ten reserves.)

The large number of individual Indians engaged in crop activity represented virtually every family on reserve. These were by no means all farmers. In many instances, producers were individuals with a quarter acre or less of root crops. For example, in 1895, there were forty-eight individual Indians reported as farming on Carry-the-Kettle Reserve. Of these, nineteen had half an acre or less in crop; twenty had five acres or more; three had fifteen acres or more in crop.

The tenuousness of this agriculture was evident in the Annual Reports. For example, Chief Joseph Cote of Cote's Reserve had been the largest farmer on that reserve for some years. In 1892, his acreage in crop fell to nothing because he chose to hire out to a lumberman in the Riding Mountains rather than farm any longer. The agent reported that the results even of that temporary absence had dire consequences - his fields were neglected and "the fences have been used for fuel" (AR, 1892, p. 60).

Hay harvesting grew in importance. Hay was a source of feed for livestock and a cash crop. The hay harvested by Indians in Saskatchewan more than trebled over the decade from 1886 to 1895, from 6,254 tons in 1886 to nearly 21,000 tons in 1895. (figure 4.5).

Figure 4.5: Tons of Hay Harvested by Indians in Saskatchewan 1886, 1891 and 1895

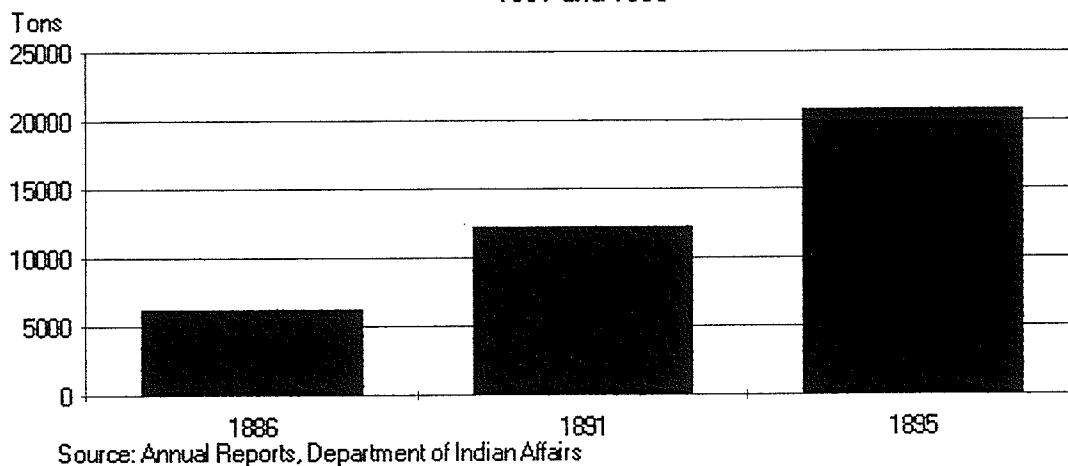
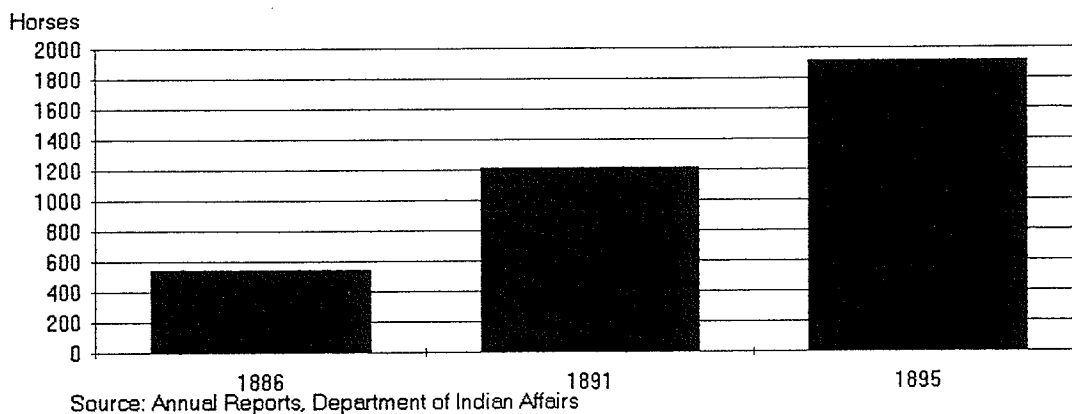


Figure 4.6: Horses Owned by Indians on Reserves in Saskatchewan, 1886-1895



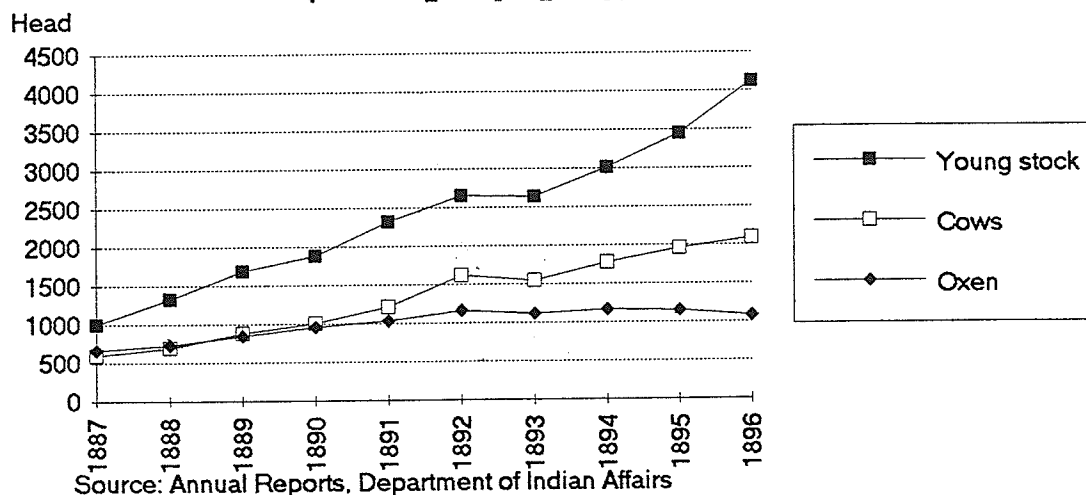
Livestock rearing also gained in importance. Horses were nearly always the private property of Indians, having been acquired privately rather than under treaty. The number of horses in Indian ownership more than trebled between 1886 and 1895 (figure 4.6). Indians had the right to dispose of

their horses as they saw fit, without interference of the Indian Agent. Horses were a source of power, but also a source of revenue.

The number of cows, oxen and calves under Indian care also rose significantly. In connection with a policy of "mixed farming", by which the government meant a combined agricultural and animal husbandry operation, a loan system was introduced. An Indian would be given the loan of a cow, for which he cared; he would then be permitted to keep and raise the off-spring (figure 4.7).

The number of oxen used as draught animals did not change dramatically over the period 1889 to 1896, reflecting the relative stagnation of agriculture. However, the number of cows increased nearly two and half times. The number of young stock also increased by about 2.5 times, and appeared to be increasing at a faster pace after 1893. The cows were a source a milk and butter, and the growing stock permitted an increase in beef consumption (in place of provisions of bacon) and also provided a marketable commodity. Cattle had the added advantage that, insofar as they were the private property of Indians, they could be sold without the agent's approval. Like horses, furs and game, they provided some unregulated access to markets. While the Department officials heralded the growth of livestock as due to an

Figure 4.7: Livestock head on Indian Reserves, Sask., 1887-1896 (excluding Pelly Agency)



orientation to and pride in ownership, market access should not be discounted as a motive for turning efforts to livestock production.

Thus, a number of factors interacted to affect how the reserve population secured its living. These included climatic and technological factors related to wheat production; market access; and government policy. The government exercised no control over products which were the private property of the Indian, such as his horses or cattle. The agent also had no right to regulate the disposal by Indians of furs and game. Furthermore, beyond the legitimate, agent-sanctioned, market for produce was a black market. Livestock were part of that market, as the government had a limited ability to monitor the use to which Indians put their personal property in livestock. Indeed,

the rising share of privately owned cattle was vexing to agents and Agency Inspectors, who openly wondered in their reports how they would control market activities of Indians who owned their own stock.

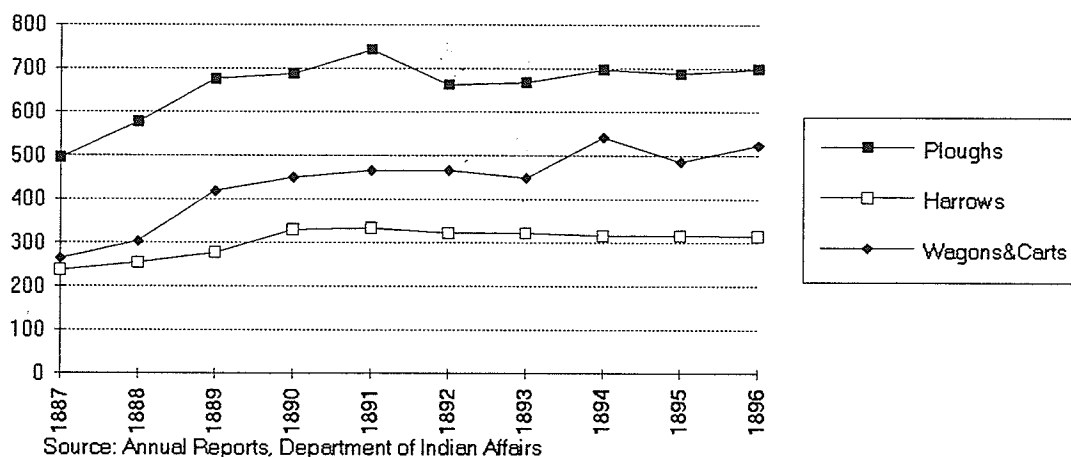
4.5.3 Capital for agriculture. Production in Indian reserves could no more develop without real capital formation than it could in the rest of the prairies. Capital formation on reserves took the form of buildings, fences, other land improvements, as well as agricultural implements and livestock.

As in the period prior to 1885, in this period too, acquisition of implements depended in considerable part on the access to markets. The agent typically played the intermediary to transactions. The agent authorised the sale of Indian produce, and authorised the purchases made by Indians. After 1890, almost every agricultural implement acquired by Indians was acquired through their own efforts. They were denied the right to buy equipment if the agent felt that the purchase would be better put to rations, clothing or other necessities rather than to capital acquisition.

Figure 4.8 shows how the number of pieces of three types of equipment changed on Saskatchewan Reserves from 1887-1896. The figure shows a decline in the number of ploughs

and harrows after 1891, while carts and wagons reached a peak in 1894.

Figure 4.8: Numbers of Ploughs, Harrows, and Wagons and Carts Owned by Indians on Reserves in Saskatchewan, 1887-1896



There were regional variations. In Duck Lake and Carlton agencies, the numbers of ploughs and harrows continued to grow throughout the period. In Crooked Lakes, File Hills, and Moose Mountain agencies, the numbers remained nearly constant. Declines were pronounced in Touchwood Hills, Muscowpetung's and Fort Pelly Districts.

Other types of equipment - mowers, self-binders, hay rakes, etc. - were not specifically identified in tabular statements until near the end of the period. In 1896, the Department published a special "Statement showing tools, vehicles, harness, &c., the private property of Indians acquired by earnings from labour, sale of Live Stock, Hay, Wood, &c." This was a cumulative statement; by 1896 Indians



had acquired 122 mowers, 228 horse rakes, 224 wagons, 96 carts, 81 buckboards, 221 sleighs, 14 binders, 4 reapers, and 350 harnesses among other things (AR, 1896).

The value of this capital was not great; neither was it inconsequential. In his 1896 report, the agent for the Swan River (Fort Pelly) agency reported the total value of private property in cattle, horses and implements of 13 members of the Keeseekoosé Band totalled \$8,728. (or \$671/member), exclusive of fences, buildings and other land improvements. He added that there were many others with "property of their own, acquired in the last five years, equal to the above" (AR, 1896, p. 206).

Indians also acquired equipment to carry out various activities such as haying, wood cutting, freighting, etc. Agents could block purchases of equipment when they preferred to see proceeds spent on provisions and clothing so as to reduce the provisioning expenditure by the department. However, statements by agents and the Commissioner indicated their recognition that Indians could not be prevented from acquiring equipment from the proceeds of sales without undermining the incentive to production activity altogether. Thus, even after Reed's circular letter banning the use of labour saving devices, agents continued to report on the purchase of equipment. For example, in 1891, the agent for the File Hills agency reported that:

The Indians have done fairly well during the past year. They have received from their crop fifty-four thousand five hundred and fifty-five pounds of flour and eighteen tons of bran and shorts. The Department assisted them to the extent of \$437.86 in paying for threshing and gristing, and they have sufficient flour on hand to last until next November. . . They have also purchased by the sale of oats, two sets of bob-sleighs, and from the sale of beef three mowers, two horse rakes and one set of bob-sleighs. (p. 57)

Still later, in 1894, the agent for the Crooked Lake Agency reported that of the \$6,718.48 in individual earnings of Indians, monies were used for provisions and clothing, but also for a cooking stove, repairs to an engine, and purchasing wagons, mower and rakes, binders, two horses and a cart, and a cow (AR, 1894, p.64).

4.6 Indians in the money economy. Rather than peasant agriculture, government policy might better be named autarky or more aptly self-supporting. It was a policy of self-sufficiency only in the sense of minimizing reliance on expenditures by Indian Affairs. One measure used by the Department for the degree of self-sufficiency was the total quantity of provisions given each year. Another was the number of months of the year each band could live without requiring various types of government provisions - how many months without provisions of flour, or of bacon. During the early 1890s, this measure was regularly reported by Indian agents. The Indian Commissioner stated that a criterion for estimating the "general progress" of the Indians was "afforded by the examination of the extent to which Indians

have succeeded in providing for their own support" (AR, 1891, p. 189). The "general progress" that was shown in this way reflected in part increasing tight-fistedness by the department, in part increased Indian production, and in part increased earnings from market-based activities.

In the name of teaching a "lesson in prudence" the Department refused to purchase hay for Indian cattle in the exceptionally harsh winter 1892-93, with the resultant loss of cattle (AR, 1893, p. xvii). When Indians experienced difficulties getting through the winter on grain supplies, seed available for planting was in short supply, having been consumed as food, the government's response was to encourage the Indians either to purchase seed "out of their own earnings and annuities" (AR, 1890, p.133), or to plant a smaller acreage (AR, 1895, p. xix).

The specific meaning of self-sufficiency in the Indian Affairs vocabulary not only permitted participation in markets, but positively encouraged it, since earnings of Indians from sale of labour services and products would permit a further reduction of expenditure by the department. In the Commissioner's 1891 annual report, the first item to which he directed attention to indicate the growing degree of self sufficiency was a tabular statement reporting the "individual earnings" of Indians (AR, 1891, p. 189). Focusing attention on peasant farming, severalty and permits

by some writers has downplayed the significance of market activities as contributors to people's livelihoods. The significance of markets was noted by Reed in his annual report as Treaty Commissioner in 1889:

In addition to the produce raised by themselves and devoted to their own support...the greatest pains have been taken to develop every other possible method for helping the Indians to maintain themselves. In order to stimulate the industrious, they are allowed to dispose of a proportion of their produce, and are encouraged to take contracts for the supply of firewood and of hay. In passing, it may be remarked that the experience of the Police has been that the best hay they get is that supplied them by the Indians. By such contracts, and the sale of fur, lime and so forth, together with miscellaneous earnings made by freighting, working for the settlers, and doing a large proportion of the work at the agencies and reserves, which was, until recently, performed by white men, the individual earnings aggregated, during the last year, nearly \$26,000.

This money was expended in the purchase of provisions, clothing, seed-grain, machinery, lumber, stoves, and other articles calculated to relieve the Government, at the time, or in the future, of a part of the burden of their maintenance. (p.161)

Acquisitions of private property with money earned through market activities was considered important for engendering a "sense of possessary rights" and contributing to the creation of "self-interested motives" (AR, 1890, p.xxviii). The Department identified a two-fold advantage in the market activity of Indians, since it provided not only monetary profit, but also "there is the equal, if not greater gain derived from such employment of the experience acquired in such industries..." (AR, 1892, p. xvii).

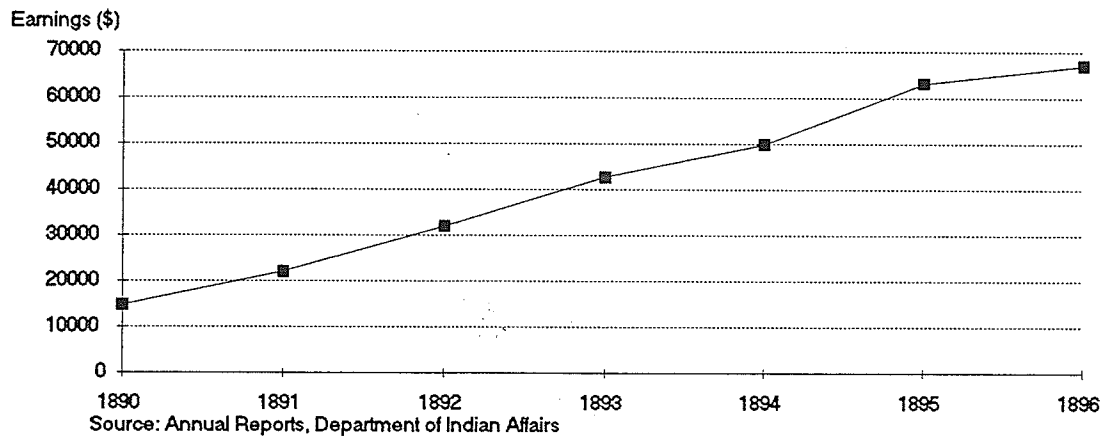
The effect of market conditions on Indians' well-being is remarked upon by Reed in his 1895 annual report: "A moment's consideration will show that a depression in trade, with consequent scarcity of money, must greatly affect the market for labour and the sale of such commodities as have been mentioned..."(AR, 1895, p. xxviii). Those commodities included the products of hunting and fishing, lumber work, farm labour, sales of hay, wood and articles of manufacture.

From 1890 to 1896, Department agents kept records on the earnings of individuals Indians, exclusive of annuity payments. These were reported at an agency level of aggregation (figure 4.9). Reported earnings rose more than three and half times over six years. They remained small in per capita terms, at about \$11.75. Augmented by annuity payments to each family member, these sums provided households the means to obtain goods accessible only through markets. Unequal distribution of earnings gave some households the means to purchase major pieces of equipment.

The earnings reported are those which came to the attention of the agent. This would have been most legal transactions, since permits were required to sell goods to Indians on reserves and for Indians to sell their produce.

Nonetheless, the Indian retained the right to sell furs and game without approval by the agent. There were also black market activities. The data could also be affected by

Figure 4.9: Earnings of Individual Indians Resident on Reserves in Saskatchewan, 1890-1896

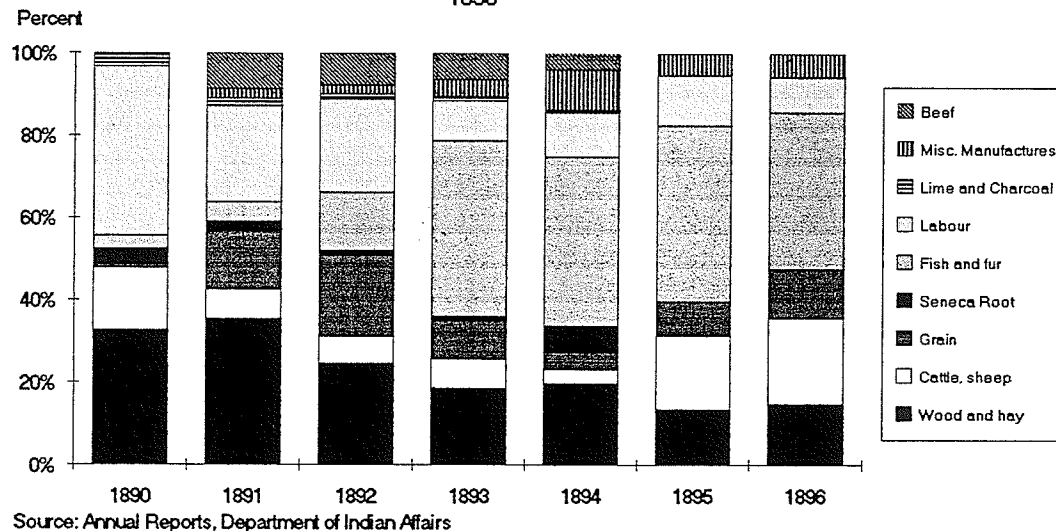


changing levels of scrutiny by agents. However, there are no grounds to think that these effects worked in any systematic way across agencies.

By 1895 earnings had begun to be affected by a "general depression in trade". (Deputy Superintendent-General of Indian Affairs Hayter Reed, AR, 1895, p. xviii) Total earnings decreased substantially in some agencies. Nonetheless, aggregate earnings continued to increase in those years in Manitoba and the Northwest Territories, even though they fell in Ontario, Quebec and the Atlantic Provinces in 1896.

Figure 4.10 indicates the composition of earnings by type of activity. From 1891 on, wood and hay provided a declining share of total earnings, the money value of sales remaining more or less constant over the period. Earnings from labour also declined over the period, from about 30% in 1890 to 10% in 1896.

Figure 4.10: Earnings of Indians Resident on Reserve, by source, Saskatchewan, 1890-1896



The two most important areas of earnings growth were fish and fur harvests, and cattle and sheep sales. By 1896, income from fish and furs accounted for about 40% of all earnings, compared to less than 5% in 1890. Even if earnings of labour in 1890 and 1891 consist largely of earnings from fish and furs, which may have been the case in the Carlton, Duck Lake and Onion Lake agencies, the proportion of fish and furs in total earnings shows an increase. The revenue from the sale of cattle and sheep also rose after 1894. Revenues from grain fell as a share of the total from 1892 to 1894, and recovered somewhat in 1895 and 1896.

The earnings reflect both the quantity marketed and the price received. The years from 1894 to 1896 are characterized in the reports as soft.

Figure 4.11 shows earnings by agency; figure 4.12 shows the proportional distribution of earnings by agency. The changes in these are related in part to the opportunities which arose for bands in the different agencies. Pelly (figure 4.13) and Moose Mountain agencies (figure 4.14) relied heavily on labour services and fish and furs. Wood and hay provided more than half of reported earnings in Muscowpetung's agency, supplemented by labour services (figure 4.15). Grain contributed 10% to 15% of earnings in 1892 and 1893, while cattle were similarly important in 1895. The Assiniboine agency (figure 4.16) also relied on wood and hay, although to a lesser extent than Muscowpetung's agency. Labour services were more important than in Muscowpetung's accounting for 30-50% of earnings from 1892 on. Grain had some importance in 1893, 1895 and 1896, while cattle were important after 1894, accounting for more than 10% of earnings in each year.

The Crooked Lake agency bands (figure 4.17) showed the greatest concentration on agricultural activities, with grain and cattle sales accounting for more than 60% of earnings in every year except 1890 and 1894. Senega root also provided a significant source of income for this band, as did wood and hay sales until 1896.





Figure 4.13: Earnings of Indians, Pelly Agency, 1890-1896

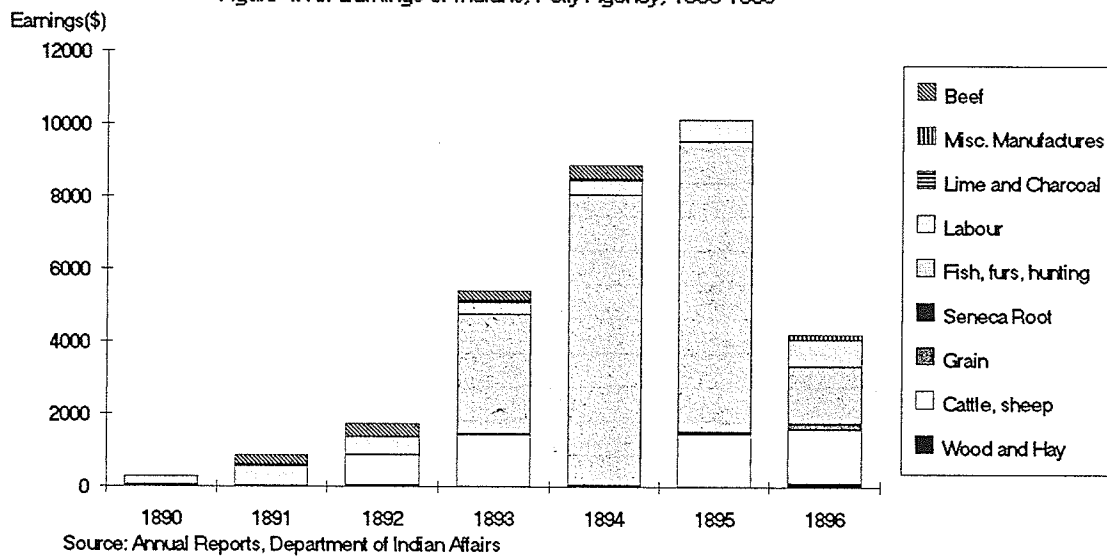


Figure 4.14: Earnings of Indians, Moose Mountain Agency, 1890-1896

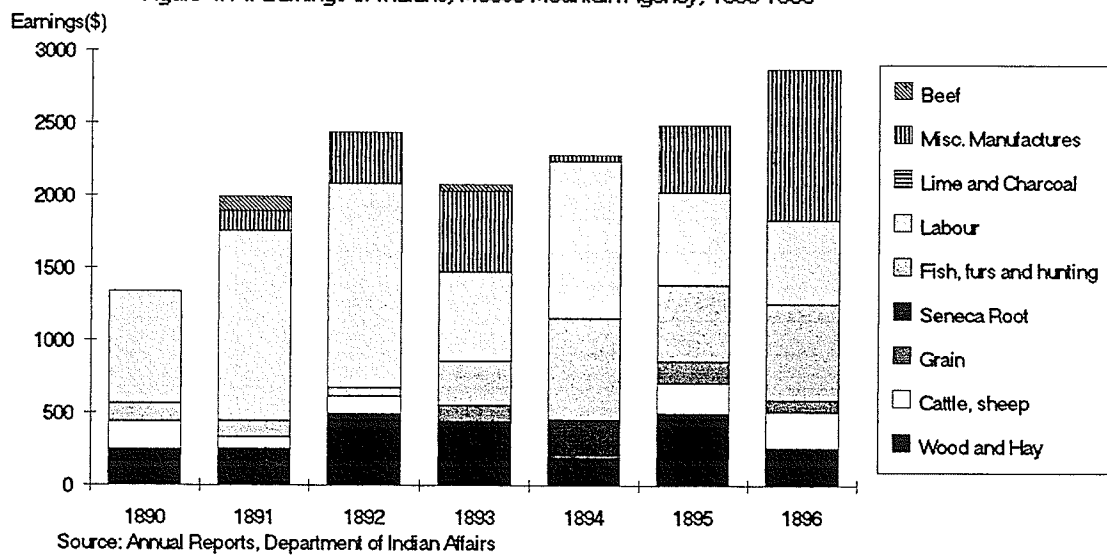


Figure 4.15: Earnings of Indians, Muscowpetung's Agency, 1890-1896

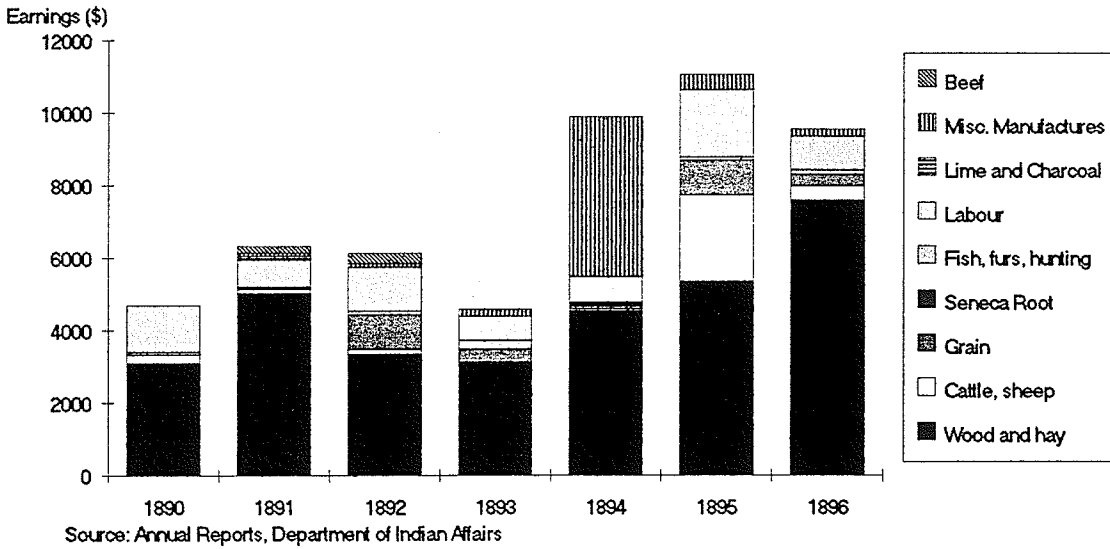


Figure 4.16: Earnings of Indians, Assiniboine Agency, 1890-1896

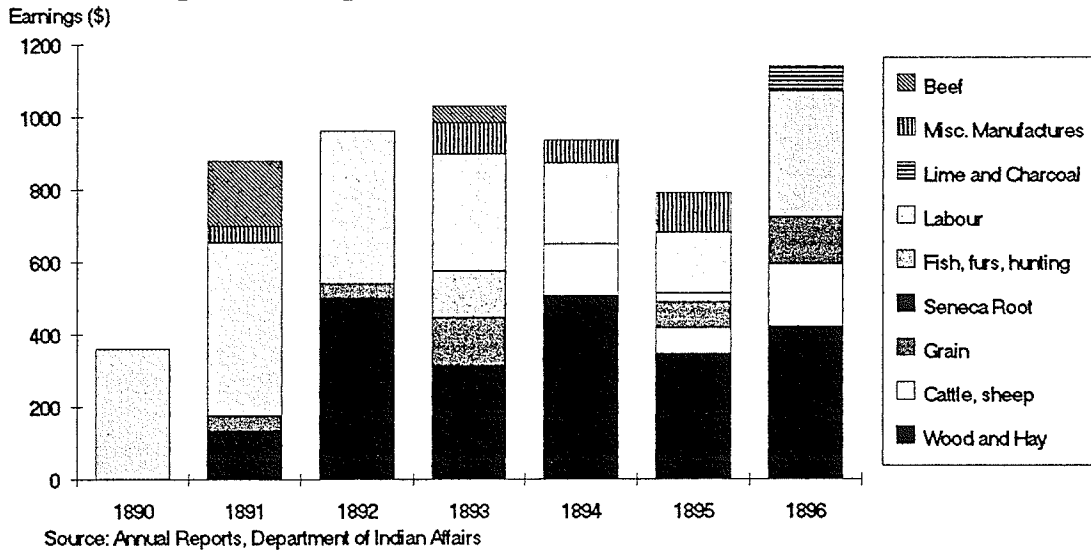


Figure 4.17: Earnings of Indians, Crooked Lake Agency, 1890-1896

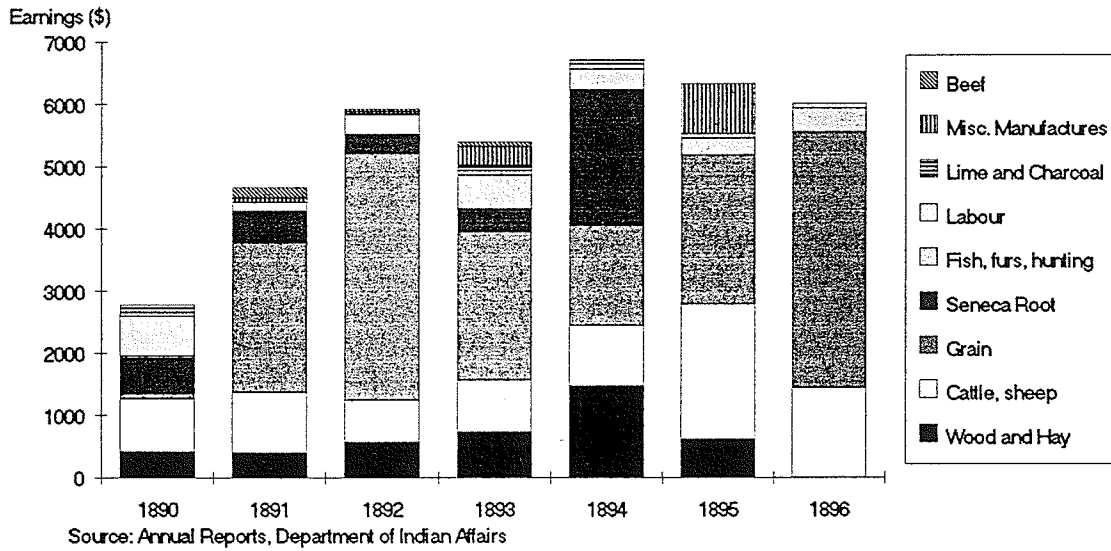


Figure 4.18: Earnings of Indians, File Hills Agency, 1890-1896

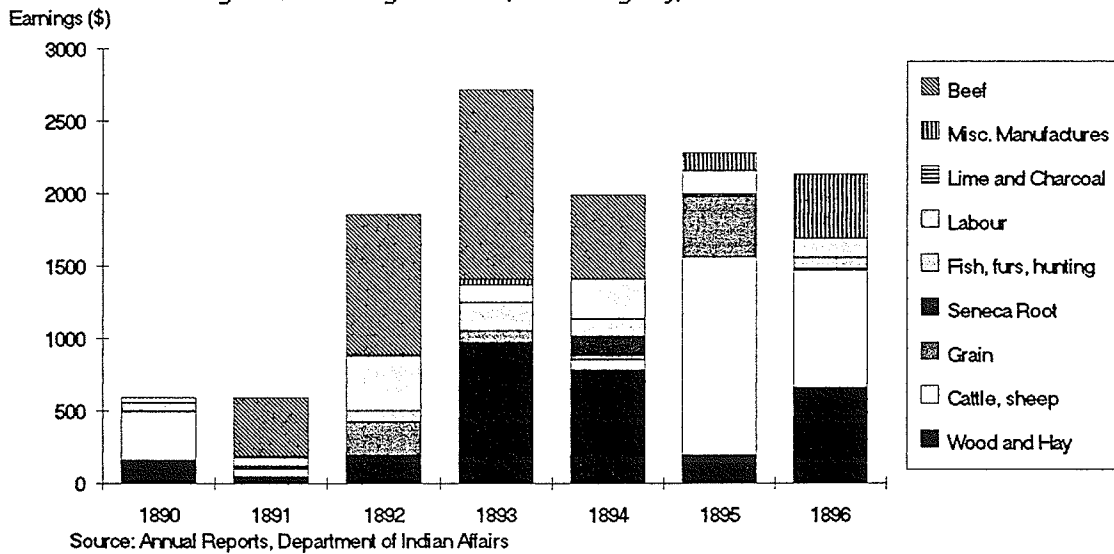


Figure 4.19: Earnings of Indians, Touchwood Hills Agency, 1890-1896

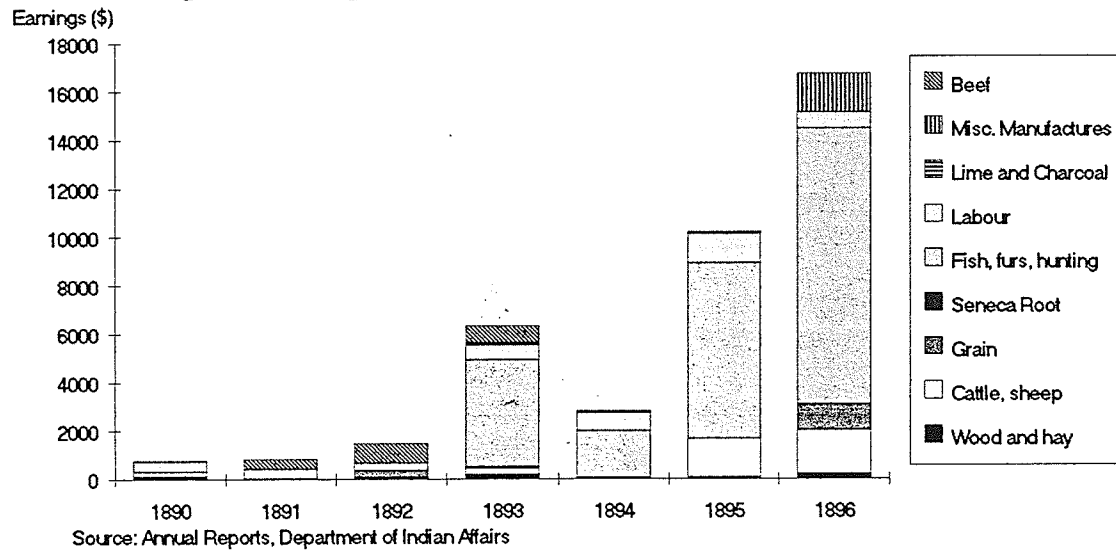
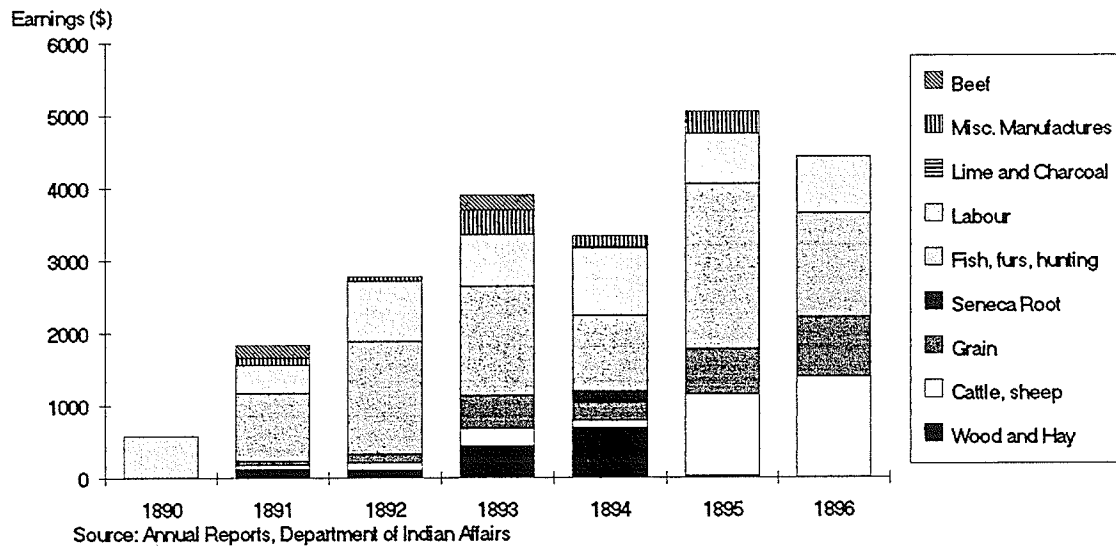


Figure 4.20: Earnings of Indians, Duck Lake Agency, 1890-1896



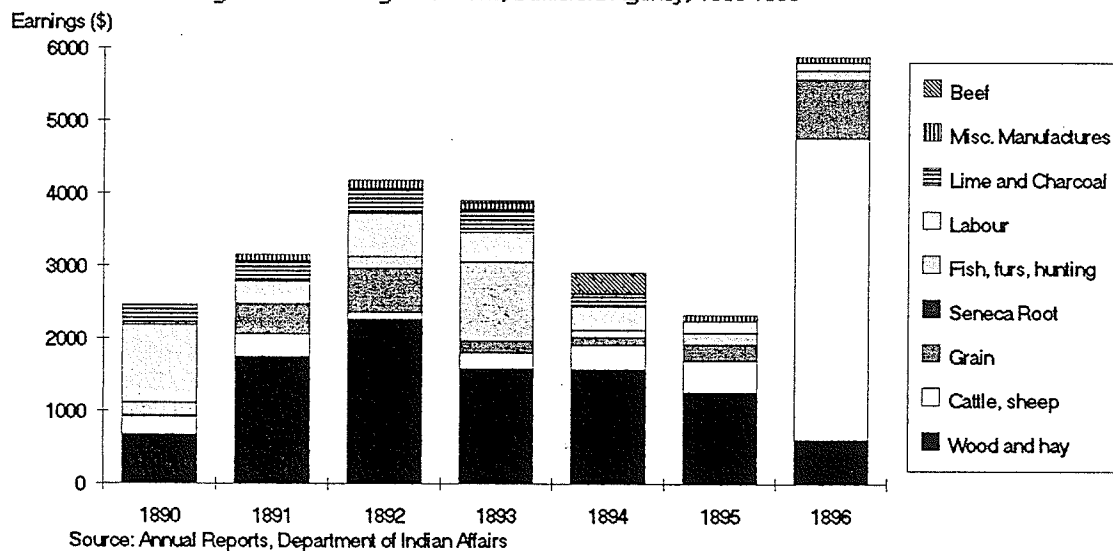


The File Hills agency bands (figure 4.18) relied upon meat production. Beef and cattle accounted for 50 to 80% of earnings in every year except 1894. Hay and wood accounted for 30-40% of incomes in 1893 and 1894.

In the Touchwood Hills (figure 4.19), Duck Lake (figure 4.20), Carlton (figure 4.21) and Onion Lake agencies (figure 4.22), fish, furs and hunting were important sources of income during most the period. Touchwood Hills also acquired significant earnings from beef in 1891 and 1892, and sold some cattle in 1895 and 1896. In the Duck Lake agency, labour services and fish and furs accounted for 60% or more of earnings during the period; wood and hay sales disappeared after 1894, but were replaced in importance by the sale of cattle. Carlton Agency showed an even greater reliance on fish and furs than Duck Lake, with cattle sales acquiring some importance in 1895 and 1896. Onion Lake's profile was quite similar to that of Carlton, except that in 1891, grain and wood and hay accounted for nearly 70% of earnings.

In Battleford (figure 4.23), wood and hay accounted for about 40% of earnings in most years. Cattle began to account for a growing share of earnings after 1893, and by 1896 accounted for more than half of earnings as wood and hay sales dropped dramatically.

Figure 4.23: Earnings of Indians, Battleford Agency, 1890-1896



These regional variations reflected the different resource bases of reserves in each agency, access to markets, and changing market conditions. They suggest that what was undertaken by Indians was not a centrally orchestrated peasant agriculture program, but rather a complex adaptation of activities to a restrictive government policy environment, to market opportunities and the natural conditions where they lived.

4.7 Discussion. There is no doubt that the government, through its agents, carried out a policy of social control through which it hoped to foster self-support. Its policy was informed by a theory of development according to fixed stages which were like rungs on a ladder, along which the small farmer and industrious individual climbed from savagery to civilisation. This doctrine also lay behind the



school policy, with its focus on industrial schools, through which children would be educated in the civilised arts, and separated from their parents, would in future pass along their newly acquired civilisation to later generations. The policy also provided a rationale for the desire on the part of government to reduce as far as possible expenditures on provisions and agricultural assistance, the better to foster self-support.

The very drive to reduce expenditures dictated a policy much broader than one of a self-contained peasant agriculture. The department was led to encourage active Indian participation in markets, albeit in ways which did not provide unwanted competition to non-Native settlers.

The government's aim at regulating Indian economic activity was effective, perhaps even to a high degree. But it also true that the Indians found ways and means to circumvent social controls. They entered labour and contract services markets, where the agent was less able to control incomes and expenditures. They engaged in fishing, trapping and hunting, producing goods which they were able to market without approval by the agent. Black markets - sale behind the back of the agent - were developed in root crops, grains and livestock. Moreover, cattle which were the private property of Indians could be disposed of without the agent's approval.