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

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

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CHAPTER 5

1896-1921: LAND CESSIONS

5.1 Indian lands and the settlement boom: After 1896, settlement of the Northwest Territories proceeded rapidly. Large-scale settlement opened up a new market, the market for Indian reserve lands. From the turn of the century to the mid-1920s, these lands were coveted as a valuable resource by many different interests. Demand for Indian lands came from several quarters:

- railway companies seeking rights-of-way through reserve lands, and reserve land concessions for railway stations, rail yards and town development;

- land development companies interested in town development and sale of lands for settlement;

- settlers seeking homestead lands; farmers seeking hay lands; and, near the end of the period,

- the Soldier Settlement Board of the government of Canada, seeking lands for settlement of World War I veterans.

The Ministry of the Interior had responsibility both for Indians and for immigration. Indian policy was viewed, in part, as an tool of immigration and settlement policy. The

government adopted the official position that many, if not most, acres of Indian lands were surplus to Indian needs.

Together land hunger and the priorities of the Ministry of the Interior exerted pressure for the surrender of Indian reserve lands in the service of western development.

Indian incentives to accept, and at times to propose, surrenders were varied. Sometimes, a surrender involved an exchange of lands, unsuitable lands for more suitable lands. Cash requirements, for immediate needs or to meet debt obligations, figured prominently as a reason for accepting surrender. Land sales were also seen as a way to finance the purchase of agricultural equipment.

Land hunger, government policy and incentives for surrender combined to give this period the character of Indian land losses. Nearly 400,000 acres of reserve lands were surrendered in Saskatchewan between 1896 and 1928. The surrenders provided cash for current needs, a source of future income from interest income, and a means of purchasing machinery and equipment for agricultural operations.

5.2 The demand for land.

5.2.1 Market growth. From 1896 to 1926, the population of Saskatchewan grew rapidly, reaching more than 80% of its present-day population. Large scale European immigration to take up prairie agricultural lands accounted for most

population growth. The ratio of the Indian reserve population to the Saskatchewan population fell dramatically compared to the earlier period (table 5.1). The Indian reserve population had accounted for nearly ten percent of the population of present-day Saskatchewan in 1901, but about one percent by 1926.

Table 5.1
Saskatchewan and Indian Reserve Populations
1901-1926

Year	Saskatchewan Population (1)	Indian Reserve Population (2)	Ratio (1)/(2)
1901	91,279	8,326	0.09
1906	257,763	11,700	0.05
1911	492,432	10,448	0.02
1921	757,510	10,034	0.01
1926	820,738	10,892	0.01

Source: 1901, 1911, 1921 and 1926: Census of Canada, 1961, Table 6: Population by Census Subdivisions, 1901-1961. For 1906: Quinquennial Census of the Northwest Provinces, 1906.

Growth of market centers accompanied this population growth. By 1921, most cities, towns and villages which would be established in the province had been established. Table 5.2 shows the growth in the size and number of market centers. In 1901, the largest center was Regina, with 2,249 residents. Two other centers had populations over 1,000 - Moose Jaw and Prince Albert. Three centers had populations 500-999 - Moosomin, Yorkton and Battleford. By 1911, there were five centers with populations of 5,000 or more; another ten centers had populations greater than 1,000 and less than 5,000.

Table 5.2
Number and Population of Communities,
Saskatchewan, 1901-1921

Population	Number of Communities			Population		
	1901	1911	1921	1901	1911	1921
5000+	0	4	5	0	62,294	91,959
1000-4999	3	10	20	5,592	17,208	34,275
500-999	3	19	29	2,177	13,456	20,242
100-499	17	148	283	4,311	33,482	64,948
1-99	1	69	91	94	4,810	7,173
Total	24	250	428	12,174	131,250	218,597

Source: Compiled from Census of Canada

After 1921, only Northern Saskatchewan and parts of the Carrot River District recorded a notable increase in the numbers of settlements. By 1921, 29% of the provincial population was living in a city, town or village, reflecting the tremendous growth of market centers, in considerable part to service the wheat economy. The transportation infrastructure was greatly extended through rail line and road construction. The grain elevator system was well-established, with elevators at 10 mile intervals along rail lines. The value of capital invested, the number of commercial establishments and the employed labour force grew hand in hand with population growth.

Agricultural settlement was the foundation of this growth and development. The number of farm holdings increased nine fold from 1901 to the 1920s; the area of improved agricultural land grew even more, twenty fold. The average agriculture holding was 384 acres in 1921, compared

to 284 in 1901; the average holding of improved land was 210 acres in 1921, compared to 84 acres in 1901 (table 5.3).

Table 5.3
Farm Holdings in Saskatchewan, 1881-1926

Year	Number of Farms	Area in Farms (000s acres)	Area of Improved Acreage (000s acres)	Average Farm Acreage	Average Improved Acreage
1881	1014	314	29	309.66	28.60
1891	9,244	2,910	197	314.80	21.31
1901	13,445	3,833	1,123	285.09	83.53
1911	95,013	28,099	11,872	124.95	124.95
1916	104,006	36,801	19,632	353.84	188.76
1921	119,451	44,023	25,037	368.54	209.60
1926	117,781	45,945	27,714	390.09	235.30

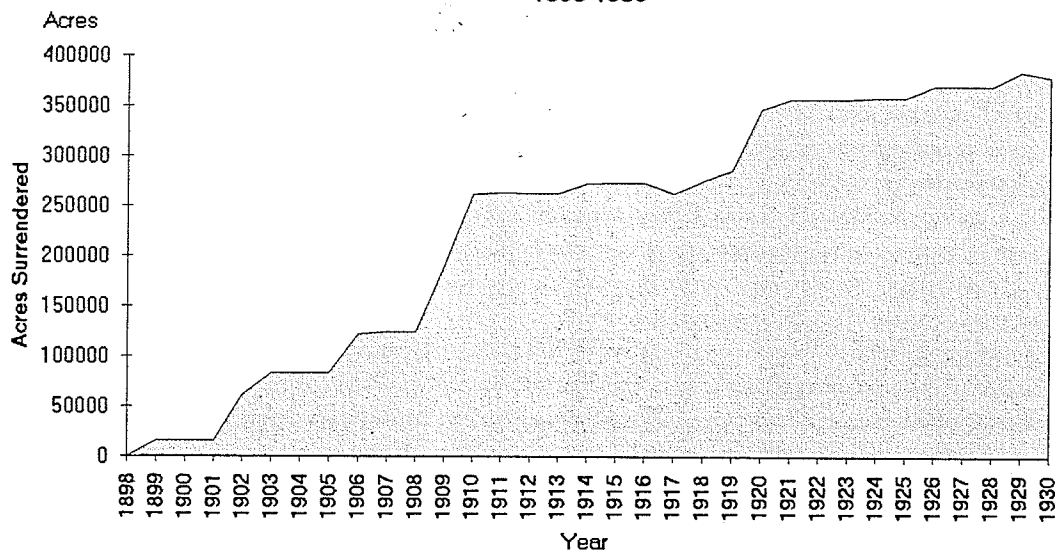
Source: Buckley and Urquhart, eds. Historical Statistics of Canada. Series M20; M31; M42. Includes only plots of one acre or more. Includes only improved acreage on Indian Reserves.

This rapid growth placed a premium on land. Land was required for railway right-of-ways to accommodate the extension of branch lines everywhere into the grain belt. Land was required for town sites, such as Kamsack which was built on surrendered land of Cote Reserve. Land was required for homesteaders, too. Lands were required for soldier settlement after the World War I to fulfill government commitments to veterans. Land developers and speculators saw the opportunity for profits in land deals. Indian lands were seen as a means to fulfill all these needs.

Over the period 1898 to 1928, nearly 380,000 acres were reported as surrendered, either sold or for sale, in the Department's annual Indian Land Statement, for a revenue of \$3,203,960. Figure 5.1 shows cumulative acres of reserve

lands surrendered; figure 5.2 shows cumulative revenues from land sales. There were two main periods of surrenders: the first from 1901 to 1910; the second after World War I.

Figure 5.1: Cumulative Acres of Reserve Lands Surrendered in Saskatchewan, 1898-1930

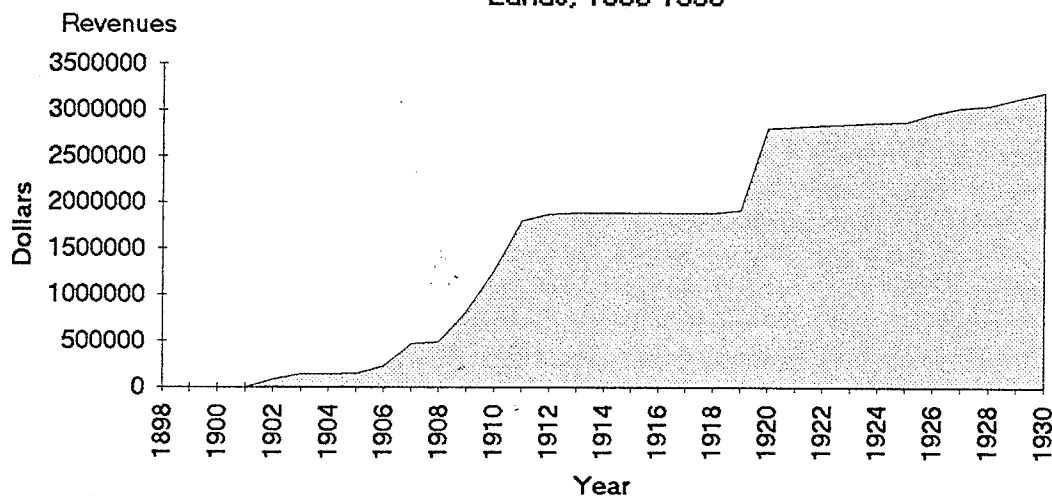


Source: Indian Land Statement, Annual Reports, Department of Indian Affairs

The Indian Land Statement reported each year on acres sold, acres surrendered but remaining unsold, and revenues from sale of lands, by reserve. If the records were consistent and accurate, then it would be possible to calculate the amount of land surrendered each year on each reserve by examination of the number of acres sold and remaining unsold in the year, minus the acres remaining unsold from the previous year.

The Indian Land Statement is not completely consistent from year to year, however. For example, in the 1909 annual

Figure 5.2: Cumulative Revenues from Sale of Surrendered Lands, 1898-1930



Source: Indian Land Statement, Annual Reports, Department of Indian Affairs

report, the Assiniboine Reserve shows 320 acres remaining unsold and no sales during the year; however, in the 1908 report, there were 320.5 acres remaining unsold. Either a half acre was sold but not reported; half an acre reverted to the band; or an entry is in error. Such discrepancies appear frequently, and entail more than half-acres.

The "Schedule of Indian Reserves in the Dominion of Canada", published in 1928, listed the original and 1928 areas of reserves (_____, 1928; Department of Indian Affairs). Accompanying notes sometimes indicated the date, amount of land involved and purpose of surrenders. This document shows that the acres lost by surrender for all agencies, except Ile a la Crosse and The Pas (Saskatchewan) from original acres to 1928 was 358,402.4. (Ile a la Crosse and The Pas agencies are excluded since most of these

reserves were surveyed late in the period - most in 1919 or later.)

This figure is calculated net of land exchanges. In some cases there were land exchanges. The most prominent illustrations of these are provided by Moosomin and Thunderchild reserves in the Battleford agency. Moosomin band surrendered 15,550 acres and received 16,710 acres at a later date. Thunderchild surrendered 20,800 acres, but received other lands in exchange totaling 16,436 acres (minus 69.01 acres for roads and railway use). Taking these two surrenders into account, the gross surrenders of these south and central Saskatchewan reserves totals 391,548 acres. This is within three percent of the total arrived at from the Annual Land Statements.

The original acreage of reserves in Saskatchewan agencies (except Ile a la Crosse and The Pas) was 1,489,736. In 1928, the acreage was 1,124,527, a decline of 25%. Incorporation of the Pas and Ile a la Crosse into the aggregate figures as of 1928 makes a difference of only one percent in the proportion of land lost; the original reserve area in those two districts was 106,000 acres; the 1928 acreage was 90,000 acres.

The amount of land lost through surrender varied substantially by agency. In 1901, two of the three reserves in the Moose Mountain agency were surrendered in their

entirety and the Indians removed to White Bear's reserve. Those two reserves, totaling 47,014 acres accounted for 60% of the original reserve land in Moose Mountain agency.

In the Crooked Lakes area, along the CPR line near Broadview, 55,000 acres were surrendered by the Cowesses and Kahkehistehaw bands alone, accounting for 53.5% of the original acreage of those two reserves. By 1928, 41% of the original acreage of six bands in the Crooked Lakes area had been surrendered.

In Battleford, Carlton and other central Saskatchewan Districts, land surrenders were not so great a share of original reserve lands. In the Battleford and Carlton areas together, losses of reserve lands amounted to 13 to 15 per cent of the original acreage.

In northern Saskatchewan, as in the Ile a la Crosse agency, virtually no land was recorded as having been surrendered by 1928 (0.2%). The thirty-two reserve areas listed in the Ile a la Crosse district were surveyed in the twentieth century, nineteen of those in 1919 or later.

The regional variation in land surrenders reflected settlement patterns. Land surrenders figured more prominently in more heavily settled areas.

During the first period (1901-1910) land surrenders were associated with the major influx of immigration and development. During the second period, Indian lands

surrendered but yet unsold, and newly surrendered lands, were transferred to the Soldier Settlement Board which had been created to provide lands and loans for farm star-up to returning veterans. In western Canada, reserve lands were seen as a source of land for soldier settlement. For example, Ochapowace, one of the Crooked Lake bands which resisted land surrender lands in 1907, surrendered more than 18,000 acres (a third of its original area) for this purpose in 1919. Between 1918 and 1920, about 60,000 acres were surrendered in Saskatchewan.

5.2.2 Land development and speculation motives. The surrender of the Ocean Man and Pheasant Rump reserves on the west of Moose Mountain revealed the speculative motives for obtaining Indian lands. Although surrender of those lands had been contemplated since December, 1898, the Minister of the Interior and Superintendent General of Indian Affairs, Sifton, was spurred to seek surrender of these two reserves, totaling 47,104 acres, by an offer in 1899 to purchase the lands ostensibly made by two Omaha, Nebraska businessmen: Mr. West "a prominent railway man" and Mr. Armstrong, "a Banker and Capitalist", as they were described in departmental correspondence. They proposed to purchase the land for resale to settlers who would immigrate from Nebraska. The inquiry from Nebraska was welcomed by the Minister, as the Government of Canada was directing a

considerable part of its advertising campaign to attract immigrant agricultural settlers to the mid-western United States where homesteading lands had become scarce.^{1*} The Government welcomed colonizing schemes by land development companies who promised to recruit settlers for available lands.

Indian Commissioner David Laird was instructed to obtain the surrender of the lands. The lands were considered excellent agricultural lands by the Indian agent. The translator at surrender negotiations testified in subsequent inquiries into the sale that Laird obtained the surrender through the threat that he would use the NWMP to forcibly remove the Indians from the lands if they did not agree to the surrender (_____, 1984, [SIFC Press]).

The lands were tendered for sale. All except 1.3 sections were purchased by Toronto attorney A. C. Bedford-Jones on behalf of unnamed clients.² Bedford-Jones was the former law partner of Frank Pedley, Deputy Superintendent of Immigration. The lands were subsequently resold for a substantial profit. Charges were made that James Smart, Deputy Superintendent-General of Indian Affairs, Frank Pedley, Bedford-Jones and others had conspired to profit

* Because of the length of citations, references to archival records of Indian Affairs in Record Group 10 (RG10) are cited as numbered endnotes. Endnotes will be found in "References to Public Archives of Canada, Record Group 10 (RG10)" beginning on page 392.

from the surrender and resale of these lands (____, 1984, SIFC Press, pp. 315-319). The report of an investigation by a Royal Commission was destroyed by the Parliamentary fire before its findings were released. Subsequent, as yet unpublished, forensic historical research may provide further evidence of a conspiracy of officials in the Ocean Man and Pheasant Rump surrender.*

Thus, venal motives on the part of officials employed to carry out the government's trust on behalf of Indians accounted for the first significant land losses through surrender in southern Saskatchewan. On other occasions, the Department was spurred to action by the self-interested intervention of local politicians. For example, the impetus to pursue a surrender of the Cumberland 100A reserve came from inquiries by the Member of Parliament for the District, T.O. Davis. Davis himself had gone into action as a result of inquiries by a constituent from Kinistino, C.S. Lowrie. Those lands were tendered for sale on favorable terms - a 20% rather than the usual 25% down payment from the buyer. The land was sold at an average price of \$2.60 an acre, less than half the estimated value. The Honourable T. O. Davis purchased 12 sections.³

* Dr. David Miller, Head, Department of Indian Studies, Saskatchewan Indian Federated College: personal communication, 1993, in reference to a draft of an unpublished study by Tyler and Wright.

5.2.3 Settlement. On March 4, 1907, Orders-In-Council were signed confirming the surrender of 33,281 acres of Kahkehistehaw reserve and 20,704 acres of Cowesses reserve (RG 2, Series 1. Privy Council Order in Council, 4 March, 1907, P.C. 409 and 410). Another 6,876 acres were surrendered, the whole of Leech Lake (Little Bone) reserve, confirmed by Order in Council, August 31, 1907 (RG 2, Series 1. Canada Privy Council. Order in Council, 31 August, 1907, P.C. 1904/1907). Together these three reserves comprised some 60,000 acres, a significant portion of total lands eventually surrendered in Saskatchewan. The Cowesses and Kahkehistehaw Indian Reserves bordered the Canadian Pacific Railway Line between Grenfell to the west and Whitewood to the east. Cowesses Reserve bordered the town of Broadview, across the tracks of the CPR main line.

Efforts to secure these surrenders and bring these lands onto the market began as early as 1885. Prime Minister John A. MacDonald was petitioned by residents in the area to have the bands moved and open the lands for settlement. By 1886, the Department had begun to explore the possibility of securing a surrender of these lands from the Indians, but decided against it because of the importance of hay lands to the livestock industry on the reserves.⁴

The petitioners persisted. A petition from a committee in Broadview came forward in 1891. Still another petition by

183 residents of Whitewood, Broadview and Wapella was submitted in 1902.⁵

The aim of the Broadview petitioners was to remove the reserves from proximity to the railway, which made lands more valuable for sale and settlement. Increased settlement would increase trade and business activity. These ideas were expressed by Broadview residents in their 1891 petition to Edgar Dewdney, the Minister of the Interior and Superintendent General of Indian Affairs. The petition argued that the opening of the Crooked Lakes Reserves for settlement was desirable for the town of Broadview, the Canadian Pacific Railway, as well as "the settlement of the country and its general interests."

Eight years later, in 1899, Minister Sifton met with Lake, the M.L.A. for Broadview, who pleaded to have the lands thrown open for sale and settlement. At that meeting, Lake raised a new issue - that the reserve holdings may be greater than those to which the Indians were entitled under treaty, due to population declines since treaty. Sifton referred the question to Department Surveyor Ponton. Ponton supported the plan to seek surrender of these lands. His opinion reinforced that of the business community in Broadview: Indian presence north of the railway prevented settlement to the south of the railway.⁶

This was supposed to work as follows. Agricultural settlement depended on access to market centers. The existence of viable market centers, in turn, depended upon a sufficiently large trade area. The size of the trade area was limited, for example, by the convenient distance a horse-drawn vehicle could travel. With the reserve located north of the railway, only lands to the south of the railway were available for settlement. Therefore, the trade area was half the size it would be if settlement were allowed on the north. It was argued that market towns required settlement on either side for their viability. In his letter to Sifton, Ponton argued that:

...while it [land north of the railway] remains tied up, settlement of the large agricultural district lying south of the railway is prevented owing to the lack of market towns between Whitewood and Grenfell, which could not exist if dependent on the trade south of the railway alone. The proximity of such towns, which would doubtless be established, would be of equal advantage to the Indians.⁷

Ponton's last remark showed that Indians were not counted among those who would also contribute to the support of market towns. Moreover, if Indians were moved away from the town as a result of surrender, it is hard to see how they would take advantage of the presence of the market town.

The 1902 petition to the Minister cited: retarded growth due to the proximity of reserves; excess reserve holdings by the bands; absence of habitation on desired lands; and that

the sale of land would benefit the Indians with capital funds and cash payouts.

By 1902, the situation had changed from what it had been in 1898. In 1898, there had been a possibility of an exchange of lands near the railway for those along the Qu'appelle River. Subsequent settlement north of the reserves had since eliminated that option. Department agents had to consider the effect of a surrender of hay lands which were necessary to support cattle herds. These considerations led the Department to refuse surrender requests. The 1902 refusal was communicated by the Department to petitioners as a temporary measure which would be reconsidered in a year or two, after Indians had succeeded in cultivating brome grass. It was hoped that brome grass would make the hay lands superfluous to Indian needs.

In 1906, Frank Oliver, a former newspaper editor who had advocated dispossessing Indians of their reserves in favor of settlement by non-Indians (Edmonton Bulletin, Jan. 31, 1881), became Minister of the Interior and Superintendent-General of Indian Affairs. He personally intervened in the Cowesses and Kahkehistehaw surrenders, asking Inspector Graham to investigate and write to him on how to bring about the desired surrender.⁸

Negotiations proceeded cautiously. The government was anxious not to excite feelings among the Indians that lands

were in great demand. Both the persistence and forcefulness of overtures were deliberately restrained. Surrenders were ultimately secured in early 1907, culminating 22 years of agitation on the part of Broadview business interests.

The surrendered land was auctioned in November 1908, nearly two years after surrender. Two hundred of 322 quarters offered for sale were sold.¹⁰ A second auction was held in July, 1910 at which all but three quarter-sections were sold at the original reserve price over the objections of Inspector Graham who had argued for a reduced reserve price (AR, 1911, p. xxix). The results of these lands sales showed that there was not always a ready market for surrendered lands.

Other lands were also surrendered to meet demand arising from the settlement boom. Chacastapasin Reserve, for example, was thought desirable for settlement in the area around Prince Albert. At first, the government sought to take the lands without a surrender on the grounds that it had been abandoned, and band members had become attached to other Reserves in the area. A surrender was obtained in 1897, and the lands surveyed in 1898. The government was unsuccessful in its efforts to sell the lands despite low land prices (\$1.50/acre) and lax settlement requirements. First Hungarian settlers and then American settlers were unable to raise the necessary funds. Finally, the lands were

offered for sale with no requirements for settlement by purchasers. This permitted land speculation.

Mr. Bedford-Jones, Frank Pedley's former law partner, came into possession of these lands which had been bought by J.W. Smith of Toronto at a price of \$1.00 per acre in December 1901. Bedford-Jones then sold the rights to a land agent in North Dakota at \$2.50 per acre in March 1902. This represented a considerable speculative return on the 8,693 acres. Among other buyers was M.P. Davis who was a key figure in the Cumberland 100A land surrender in 1903.^{11,12}

5.2.4 Railways and town sites. Most large-scale surrenders were for agricultural settlement. However, some lands were also sought for railway lines and town sites. Rail lines were spreading like strands of spider's web outward from the CPR and Canadian Northern lines, bringing greater areas under settlement. In several cases, rail lines needed to traverse Indian lands. In addition, at some points along the line, divisional yards and town sites were needed. Sometimes, the most convenient location was on Indian lands.

Although railway rights of way might be sold cheaply, town sites brought higher land values. Railways planning divisional rail yards would often seek additional lands for town site development. This was the case, for example, with the 1904 surrender of Cote reserve lands for the Kamsack

town site. Kamsack was established in 1904 as a divisional point of the Canadian Northern Railway (CNR). CNR made an offer to the Indian Commissioner to purchase 272 acres of Cote Reserve lands if a surrender was obtained. The CNR proposed that 30 acres would be for station grounds, the remainder to be subdivided and sold as town lots. In April 1904, Assistant Indian Commissioner McKenna wrote to Secretary of Indian Affairs D. McLean in favor of establishing the town on Cote's Reserve.

It was apparent that Department officials shared the view of Broadview business and others that Indians were marginal to development efforts, and that Indian reserves and resources ought to be used for the promotion of development. McKenna wrote that "it is in the interest of the settlers...that there be a town at the crossing of the Assiniboine...". He enthused: "the long looked for inrush of population has come. The country is rapidly settling up" and added that:

The West cannot attain its proper development without the passage of railways through Indian Reserves. As they could not be held absolutely intact from the entrance of steel, they cannot be held absolutely intact from the presence of towns.¹³

In May, 1904, sale conditions were set out which provided the bulk of the profits of land sale to be appropriated by the Railway Company. The CNR would pay \$272/acre for the 72 acres. Only after \$5,000 had been

realized from town site lot sales would Indians be entitled to a share of half of all subsequent revenues.

Although land sales took place and revenues flowed to the land development company, payments were not made to the account of Cote band. Indian agent Carruthers noted that the balance of \$1,164.50 reported to the account of the band was too small based on the agreement of equal division after the sales of \$5,000 had been realized. In 1906, Chief Cote wrote to the Department inquiring about further payments. An investigation showed that moneys due to the Department had not been paid.¹⁴ Over the next few years, Cote band made additional surrenders of lands for settlement purposes. The reserve was reduced by 15,680 acres from its original size, about 44% of its original acreage of 36,160 acres.

Yellow Quill band members saw both the Canadian Pacific and the Canadian Northern Railways construct rail lines through their Fishing Lake Reserve. In 1903, the CPR surveyed and began grading operations without notifying either the Department of Indian Affairs or the band. The Department demanded a \$350 deposit as a condition for allowing continued construction.¹⁵ The local agent was requested to obtain a surrender of the lands. The surrender was obtained and approved by Order in Council on Dec. 29, 1904, but the company then decided not to build the line and sold the land back.¹⁶

The Canadian Northern sought 13.84 acres for a station site¹⁷ and 612.94 acres for a town site in addition to the right of way.¹⁸ The request for a town site was denied.¹⁹ However, the railway proceeded with construction of the station before the land was surrendered or an agreement for sale reached.²⁰

The passage of the rail line through the Fishing Lake Reserve aroused the interest of the Department in securing surrenders of land which could be opened for settlement.²¹ A surrender of 13,170 acres was secured in September, 1907. As in other cases, the Department did not find ready buyers for the land; only eight sections were sold at the first sale. A section of the surrendered land was set aside for the Kylemore town site and subdivided the land into town lots by the Department.²² Only eight of the 200 lots were sold at auction, the rest being sold off gradually over ensuing decades.

The Kylemore town site subdivision and sale differed from the Kamsack town site surrender at Cote, in that it was directly managed by the Department. Lestock town site was established in similar fashion. That township was carved out of surrendered Muskowequan Land in the aftermath of a surrender of a railway right of way to the Grand Trunk Pacific Railway.²³ The Lestock land sale was more successful,²⁴ if not wholly so.²⁵

By 1912, townspeople of Lestock coveted more Muskowequan reserve land. They hoped that settlement on surrounding lands would increase the population, strengthen the town's trading area and enlarge the municipal tax base. They discussed settlement terms with the band, and then urged the Department to accept the surrender on the band's terms. However, further surrenders of Muskowequan land were not made until 1920.²⁶

5.2.5 Soldier Settlement. Soldier settlement was the source of demand for the second period of land surrenders. The Soldier Settlement Act of 1917 authorized the Minister of the Interior to set aside lands for soldier settlement. 160 acres could be granted free to veterans who applied. The Soldier Settler Board was also empowered to grant loans up to \$2,500 to capitalize a farm operation. The loan would be secured by a first mortgage on the land (Canada, Statutes, 7-8 Geo. 5, C.21, 1917).

Parliamentary debates focused on the question of likely sources of arable dominion lands in western Canada. An Alberta M.P. pointed to Indian reserves:

At the present time there are very few, if any Dominion lands available close to railroads, but there are lands occupied on lease and used as Indian reserves that would suit this particular purpose if these lands could be exchanged for Dominion lands further away from a railway. I know that in the southern part of Alberta some of the most desirable land is held as Indian reserves and on lease. I want to see the Indians treated fairly, but in nearly every case these reserves are far too large for

the number of Indians now occupying them. (W.A. Buchanon, Hansard, 1917, p. 1163, cited in Taylor, 1984)

The revised version of the Act gave the Soldier Settlement Board further powers to make compulsory purchase of lands for settler veterans (Canada, Statutes, 9-10 Geo. 5, c.71, 1919).

In 1919, the Department of Indian Affairs took action "to make Indian reserve lands available for soldier settlement". Surrendered lands as yet unsold were withdrawn from sale and turned over to the Soldier Settlement Board at a price and on terms to be arranged at a later date. Commissioner Graham was instructed to identify and place a valuation on available Indian reserve lands, and then "endeavor to secure a surrender from the Indians of the lands to be disposed of to the Soldier Settlement Board".²⁷

The unsold surrendered lands in Saskatchewan in 1919 totaled more than 22,000 acres from a dozen reserves.²⁸ Surrenders in Saskatchewan between 1917 and 1920 included parts of

- Wood Mountain Reserve (4690 acres, 1919),
- Last Mountain Lake Reserve (1408 acres, 1918);
- Ochapowace Reserve (18,240 acres, 1919);
- Poorman's Reserve (8080 acres, 1918);
- Piapot (2,180 acres, 1918; 15,360 acres, 1919);
- Muskowequan (7,485 acres, 1920); and

•Pasqua (16,325.6 acres, 1918) among others. (Schedule of Indian Reserves, 1928)

Some, like Muskowequan, were not surrendered for soldier settlement purposes.²⁹ Others, like Ochapowace, were. Ochapowace had long refused efforts by Indian Affairs to obtain a surrender of the southern most lands of the reserve which lay north of the CPR Mainline near Broadview. However, in 1919, the band agreed to surrender lands³⁰ which were then sold to the Soldier Settler Board (O.C. September 17, 1919).³¹

5.3 Government policy. Land surrenders were sought by the government for speculative purposes on the part of officials, to foster settlement, and to facilitate the construction of transportation and commercial infrastructure. Government policy and practice considered treaty responsibilities and the interests of Indians to be subordinate to development policy. Indian lands were seen as a way to meet demand for lands for settlement. Alongside market demand for lands, the Indian policy of the government must also be considered as a factor in land cessions.

Taylor (1984) notes that the Department of Indian Affairs has "always been located within the government's development department" (pp.201-202). From 1867 to 1873, the Department was under the Secretary of State for the Provinces. From 1873 to the 1930s, it was under the newly

established Department of the Interior; the Minister was also designated Superintendent General of Indian Affairs. From 1896 to the mid-1920s, Department officials spoke and acted on the premise that the interests of Indians were subordinate to the general interests of settlement and economic development. From 1896, on the eve of the massive immigration to and settlement of the three prairie provinces, the interests of Indians and other concerns of the Department of the Interior came increasingly into conflict.

In 1896, Clifford Sifton became Minister of the Interior and Superintendent of Indian Affairs. The land surrender policy of the Department was little developed by him. Hall (1983) suggests Sifton "refused to accede to these pressures" [on Indians to sell their lands], and that he was the "last superintendent general who operated even superficially on the basis of the old [pre-settlement] philosophy."(p. 134) Under Sifton, a surrender was obtained for Chacastapasin reserve in the Duck Lake agency, which the government considered uninhabited and desirable for settlement near Prince Albert. The other surrenders in Saskatchewan under Sifton's tenure were Ocean Man and Pheasant Rump, which were probably engineered by Department officials for personal financial gain.

When Sifton assumed his position, expenditure cuts, rather than land issues, were at the top of the agenda. He reorganized the Department, at least in part having in view expenditure cuts. Administrative costs were cut by consolidating inspectorates and agencies, with accompanying personnel and salary cuts. Among those sacked were the deputies of both Interior and Indian Affairs, A. M. Burgess and Hayter Reed (Hall, 1983, p. 122).

The relative rate of the growth of the Department was held in check during Sifton's tenure. Indian Affairs expenditures rose 30% in aggregate over the decade of Sifton's tenure, compared to a doubling of the total national government budget, and a fivefold increase of the Department of the Interior's budget (Hall, 1983).

It is questionable, however, whether Sifton really succeeded in his cost-cutting measures in the area highlighted by Hall, the area of administration. Hall (1983) suggested that while the Department increased in size from 115 officials in 1897-898 to 133 in 1904-1905, "still the reorganization, which resulted initially in dropping 29 officials, could be said to have been successful in effecting a reduction in the size of the department" (p. 124). Hall also claimed savings of the department in salaries - "initial" savings of \$27,189, with average wages rising above their 1896-97 level by a meager 2%, but above

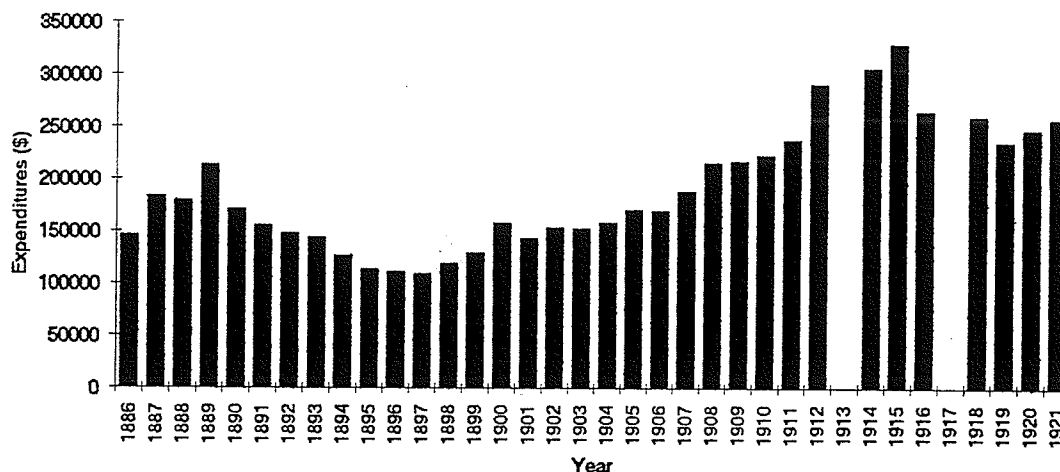
the 1897-98 level by 6%. Hall admits that "the Indian Department budget continued to grow steadily" (1983, p. 124).

Under Sifton, expenses of administration in Manitoba and the Northwest Territories as a whole fell only during the first two years, from \$114,300 in 1895 to \$109,400 in 1897. Then they rose, reaching \$171,000 in 1905 - 50% above their 1895 level and 56% higher than the 1897 nadir of Sifton's tenure (see figure 5.3). In areas directly affecting the well-being of Indians - education, relief and agricultural assistance expenditures, Sifton was arguably more successful in implementing cost-cutting measures.

Education expenditures, which had quadrupled in the decade preceding Sifton's appointment, were successfully held in check by Sifton. From 1886-1895, annual education expenditures in Manitoba and the Northwest Territories rose from \$66,000 to \$230,000. During Sifton's term, they rose more slowly, reaching \$302,000 in 1905. Frank Oliver, Sifton's successor, continued to keep these costs in check. By 1910 education expenditures had fallen to \$240,000, a mere 5% above their 1896 level (see figure 5.4).

Agricultural assistance expenditures were cut substantially by Sifton. During the decade from 1886-1895, such expenditures in Manitoba and the Northwest Territories

Figure 5.3: General Expenses of Administration, Indian Affairs, Manitoba, the New Provinces and the Northwest Territories, 1886-1921

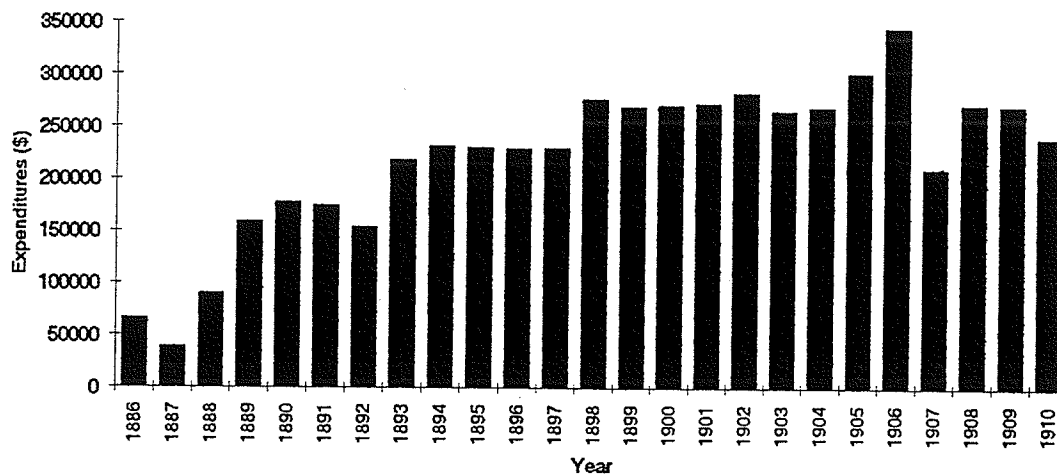


Source: Annual Reports, Department of Indian Affairs 1913 and 1917 data not published

fell from \$168.3 thousand to \$56 thousand. From 1895 to 1901, expenditures were further slashed to \$18,800. They recovered to \$62,500 in 1905, but then fell sharply to \$17.8 thousand in 1911, thereafter remaining at levels between \$9,000 and \$38,000 to 1929 (see Figure 5.5). Since many Indians on reserve were engaged in agriculture, the low level of agricultural assistance expenditures meant that Indians had to look elsewhere than treaty commitments and the Department for implements, equipment and livestock.

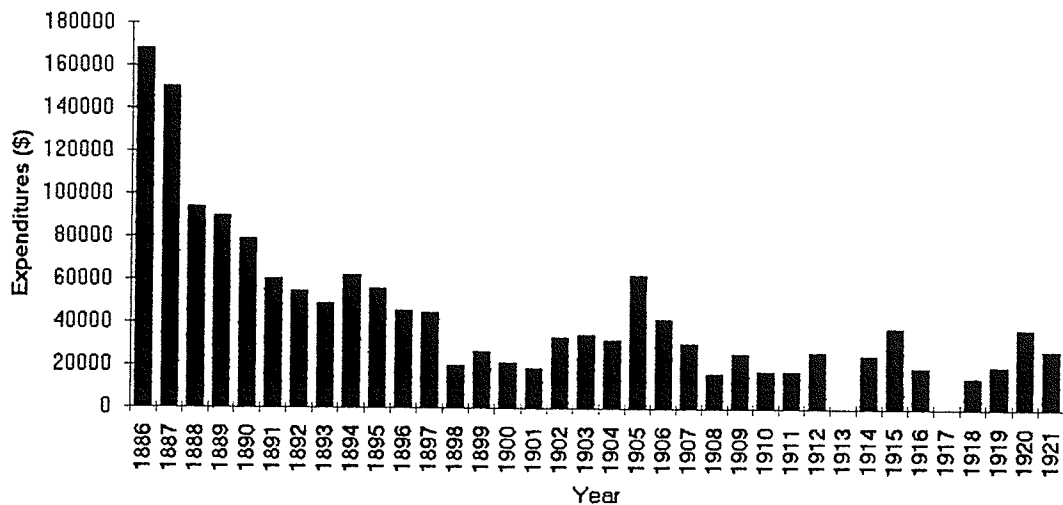
Relief provisions were held at lower levels under Sifton than during the previous decade. From 1886-1895, annual expenditures on provisions for Indians of Manitoba and the Northwest Territories fell from \$569,000 to \$220,000. During the next decade, they did not rise to the 1895 value.

Figure 5.4: Education Expenditures, Indian Affairs, Manitoba, the New Provinces and the Northwest Territories, 1886-1910



Source: Annual Reports, Department of Indian Affairs

Figure 5.5: Agricultural Assistance Expenditures, Indian Affairs in Manitoba, the New Provinces and the Northwest Territories, 1886-1921

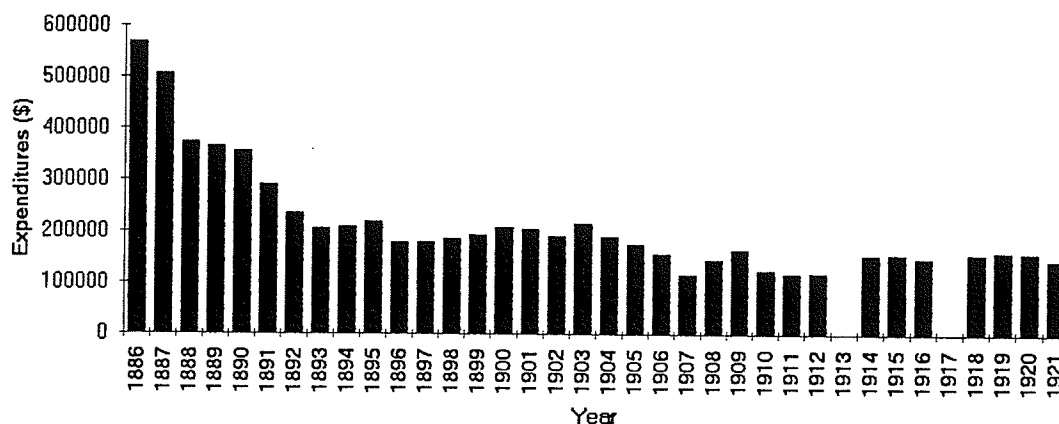


Source: Annual Reports, Department of Indian Affairs

In 1896, they were \$179,000; in 1901, \$205,000; and in 1905, \$175,000. The next two decades showed further declines in annual relief provisions (figure 5.6). These falling relief expenditures were in part indicative of improving economic

circumstances of Indians. But they also reflected the policy of the Department to require reserve residents to provide indigent relief out of their own resources. Later, when surrenders provided moneys to bands, the government directed the expenditure of these funds for such items as relief and medical expenditures.

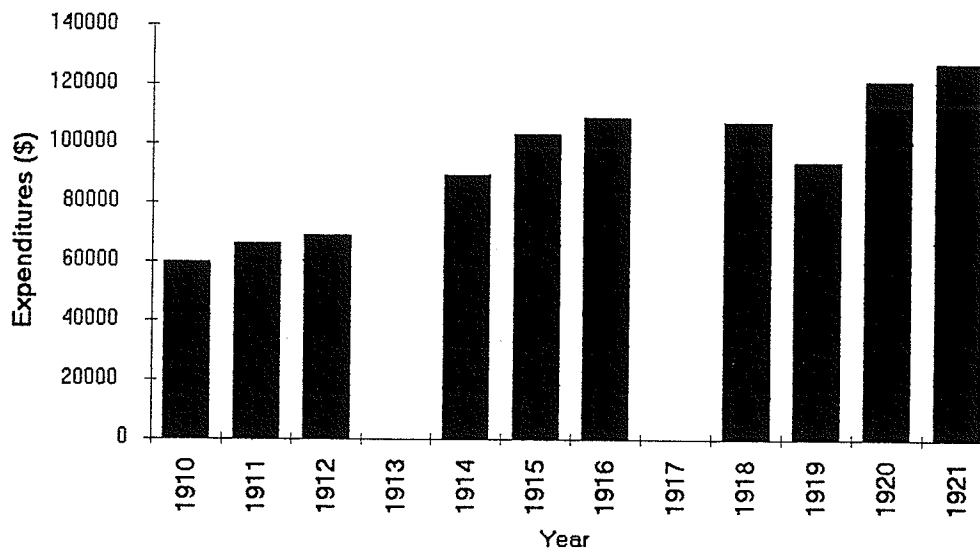
Figure 5.6: Expenditures for Provisions and Clothing by Indian Affairs in Manitoba, the New Provinces and the Northwest Territories, 1886-1921



Source: Annual Reports, Department of Indian Affairs

Medical expenditures were reported as a separate entry for Manitoba and the Northwest Territories beginning in 1910. Expenditures on medical care grew rapidly. In 1910 medical expenditures were \$60,000. They rose more than fivefold over the next two decades, reaching \$128,000 in 1921, \$225,000 in 1925 and more than \$300,000 annually from 1929 on (figure 5.7).

Figure 5.7: Medical Expenditures by Indian Affairs in
Manitoba, the New Provinces and the Northwest Territories,
1910-1921



Source: Annual Reports, Department of Indian Affairs

Frank Oliver succeeded Sifton as Minister in 1905. His views on Indian Affairs were known from his editorials in his Edmonton Bulletin newspaper where he had called for the expropriation of Indian lands because they were "needed by better men." During Oliver's tenure, the Indian Act was amended to provide greater cash inducements to help secure surrenders. The allowable limit of cash payout was raised from 10% to 50% of the proceeds of sale, the balance to be funded to the account of the band. In introducing this amendment, Oliver stated that its object was to facilitate surrender of Indian lands and to provide support for the "great and pressing need of effort being made to secure the utilization of the large areas of land held by Indians in their reserves without these reserves being of any value to

the Indians and being a detriment to the settlers and to the prosperity and progress of the surrounding country." He stated that the policy of the Department was to sell any lands not utilized by Indians. He provided statistics suggesting that millions of acres of land might be freed up for sale if Indian reserves were reduced in size to 640 acres per family of five in Saskatchewan and Alberta, and to 160 per family of five in Manitoba. He further suggested that the Department might consider cutting the treaty land entitlement in Saskatchewan and Alberta by three-quarters, to bring it into line with the Manitoba Treaties (Canada, Hansard, June 15, 1906, cols. 5422-5423).

Amendments to the Indian Act during Oliver's tenure permitted expropriation of reserve lands without Indian consent for roads, railways and other public purposes. The notorious "Oliver Act" allowed the government to remove Indians from reserves which were next to or partly within a town of eight thousand people. These amendments all demonstrated the subordination of Indian interests to those of settlement.

The growing demand for land was heard by the Members of Parliament. M.P. Davin read into the record an article from the Indian Head, Saskatchewan, newspaper, the *Vidette*. The article decried the "surveying in" of lands to Muscowpetung reserve, complaining that "the Indians already own the best

strips of land in the country" and condemned the "ever-recurring aggression by the Indian Department upon contiguous land" (Canada, Hansard, February 15, 1898, col. 517). In introducing the 1906 amendment raising the cash payout limit, Oliver acknowledged that it was proposed as a solution to such problems being raised by members of the House (Canada, Hansard, June 15, 1906, cols. 5422-5423).

The apparent surplus of Indian lands over the amount defined in the Treaties, to which Oliver referred, arose from the sharp decline of the Indian population due to tuberculosis and other diseases contracted after settling on reserves. The land/population ratio rose sharply, providing the government with this rationale for alienating Indian lands. It was argued that Indians had lands surplus to their needs. These lands, valuable to 'actual settlers', were going undeveloped and uncultivated. Moreover, the revenues from sale of these lands could be used to defray Departmental costs (Canada, Hansard, March 30, 1906, col. 947, M.P. Lake to Minister of the Interior Oliver).

Oliver replied to these and other arguments regarding lands in the Broadview area and the possibility of expropriation of Indian lands with a clear statement of the government's priorities: "But of course, the interests of the people come first, and if it becomes a question between the Indians the white, the interests of the white will have

to be provided for." He assured the House that the Department was making every effort to secure Indian lands for settlement, and expressed a willingness to introduce special legislation if necessary in order to expropriate the lands (Canada, Hansard, March 30, 1906, col. 950).

The opinion that reserve lands were substantially in surplus of Indian needs was reinforced by the policy of subdivision of reserves which had been developed under the MacDonald administration. Although that policy was not applied to many reserves, it reinforced the idea that the substantial parts of the lands set aside as reserves were surplus to current or foreseeable future needs.

It was argued that the best lands ought to be taken from the Indians and thrown open for settlement. For example, M.P. Staples asked the Minister about his willingness to seek the surrender of the Swan Lake reserve. After citing the superintendent's report, Staples said "this land is located in one of the best wheat growing districts of Manitoba. It is within a mile and a half of the progressive town of Swan Lake, and the citizens...petitioned the department to have this reserve reserved from the Indians and opened for settlement." After asking Staples the Indian population of the reserve - it was reportedly 90 people on 9,643 acres - Minister Oliver said that "as there seems to be more land than is of use to the Indians, I do not

hesitate to say that we will make an effort to secure a surrender of such portions of the reserve as we can get" (Canada, Hansard, April 5, 1906. pp.1246-1247). The surrender of the entire reserve was obtained in 1906.

Land surrenders, in addition to providing land for sale and settlement, also provided revenues from sales which were, although credited to the account of the bands, used to finance a part of the costs of Indian Affairs. To the extent that revenues were used in this way, there would be a corresponding reduction in annual budgetary appropriations.

Section 70 of the 1886 Indian Act provided that capital moneys held in trust for Indians could be used for the "cost of and incidental to the management of reserves, lands, property and moneys under the provision of this Act", which included costs of Departmental administration. The section also provided for moneys to be used for the construction and repair of roads passing through reserves, and supporting schools attended by Indians.

Through successive amendments, the Indian Act progressively widened the range of costs which could be covered through the use of moneys raised from surrenders. Authority for the use of Indian moneys, except for those distributed at the time of surrender, rested wholly with the Department. The eligible categories of expenditure were expanded over the years to include the construction of

school buildings (1895), land surveys and compensation to Indians for improvements to surrendered lands (1898), and for the repair of school buildings and construction and repair of "charitable institutions" (1898). [See Appendix Two: The Indian Act, Land Surrender, Land Management and Indian Moneys] When the moneys to the account of the band were less than \$2,000, the Minister could direct the expenditure of a capital fund for any purpose deemed to be in the interests of the welfare of the band (1926-27). Section 74 of the 1886 Indian Act permitted the expenditure of band capital funds to provide for sick, disabled, aged and destitute Indians.

In 1906, the Act was amended to permit additional classes of capital expenditures to be approved by the government with band consent. These additional classes included agricultural and economic development expenditures. They included the purchase of lands to add to a reserve, the purchase of cattle for the band, the construction of permanent improvements and other capital expenditures (1906). In 1918, the band consent requirement was removed. In 1924, the purchase of implements of machinery for the band and a loan scheme were added to the list of approved expenditures.

Many lands surrendered and tendered for sale did not sell even after several auctions (Raby, 1973, p. 39). It

might be suspected that the Department was over-optimistic about settlement prospects in part because of its desire to fund its Indian expenditures in a manner similar to practice of the Bureau of Indian Affairs in the United States.

The use of band funds to defray Departmental expenditures came to light when bands saw their financial accounts. Cowesses band members hired a lawyer to make inquiries on their behalf regarding the financial accounting they had received. Attorney MacDonald's questions, on the band's behalf, included:

1. Why 10% of sale proceeds were taken for Department management purposes?
2. The criteria for placing some funds in capital (interest-bearing) and some in the interest account?
3. An explanation for the use of band funds to pay the costs of medical aid and drugs.³²

The Department refused to answer MacDonald, and insisted that the Indians speak only to the Indian agent. The Department said that the agent would be provided with the answers, which he would provide to the band. The Department added that it would not pay any bill that the lawyer might submit. Inasmuch as the government was not his client, MacDonald replied that he had no intention of billing the government; however, he also noted that months had passed, and no answer had been forthcoming from the Indian agent.³³

In 1911, representatives of several bands - Cowesses, Piapot, Cote, Kahkehistehaw, and Rosseau River (a Manitoba band) - went to Ottawa. They carried letters of grievances from Ochapowace, White Bear and Leech Lake bands. They met for several days with Minister Frank Oliver. Their grievances covered a wide range of concerns, including that they were denied Chief and Headmen for their bands, that they were forbidden to perform traditional dances and ceremonies, that education was inadequate, and that they were being charged duty on goods brought or sent from the U.S.

Complaints relevant to land and livelihood included:

1. From Leech Lake band members at Sakimay Reserve that they had not received promised payment for surrenders made, and said that they had been forced by Indian Agent Graham to make the surrender under the threat that "if you don't sell it the Government will take it for nothing"
2. There were numerous complaints regarding the non-fulfillment of surrender terms. Piapot's headman said that Inspector Graham had said that if they surrendered their land, they would have no difficulty making a living, but in fact things had become worse. Cote Band noted that a promise that they would receive farm implements if they surrendered their land had not been fulfilled.
3. Headman of the Piapot band noted that Agents were acting as debt collectors for local businesses;
4. All present complained that agents permitted trespassing on their reserves for haying and timber purposes, while not permitting Indians to harvest and sell the same without the Agent's permission.

5. Louis O'Soup reiterated the concern expressed earlier by Cowesses band's through attorney Mac Donald that no accounting of the proceeds from the land surrender.³⁴

Oliver promised only to improve education, have agents stop their role as debt collectors and provide financial statements regarding Indian moneys. Taken as a whole, the response of the government to these grievances was to reiterate the government's anti-tribal and land surrender policy, without any expressed concern for the economic well being of Indian reserve residents.

Indian concerns about the management of their moneys by the Department were well founded. For example, when land sales of the 1907 Cote surrender went poorly, and down payments recovered only about 1/3 of the amount advanced to Indians as a cash payout at the time of the surrender, Department accountant Duncan Campbell Scott decided to utilize all moneys realized from the sales to pay back Departmental advances before making deposits to the capital account or paying interest.³⁵ This was done without informing the band that the advance had been a "loan". That had not been discussed or agreed at the time of surrender. The band had been promised interest payments commencing six months after the surrender. The band considered hiring an attorney to seek legal remedies.³⁶

Moreover, the band had yet to receive any payments beyond the initial distribution of money from its first land

surrender five years earlier. Their inquiries were met with the reply that the surrender had been unconditional; that the government would decide what to do with the moneys and when; and, moreover, that no fund or interest would be forthcoming until the advance had been paid off through land sales.³⁷

Indian agents sometimes viewed land surrender as a source of funds to purchase equipment for reserve farm operations. The policy of the government under the MacDonald government and Commissioner Hayter Reed had been to restrict the acquisition and use of machinery. The sale of land could provide a source of Indian monies for the purchase of agricultural equipment.

Agent Carruthers at Cote's reserve, for example, had been anxious for the Kamsack town site sale to go through as means of outfitting the Indians so that farming could start "in a serious manner."³⁸ Indeed, even prior to the surrender going through, Carruthers had arranged for credit for the purchase of farm equipment against the promise to pay for the equipment out of the proceeds of the land surrender.³⁹ Interior Minister Sifton's refusal to countenance a surrender which would place a town so close to the reserve upset these plans; but Commissioner Laird continued to prepare for the surrender which was then consummated once Oliver became Minister.

Under the previous agent, Jones, the band had built up a successful and profitable cattle operation. Jones sought to diversify the operation with the purchase of farm equipment. The Department rejected that proposal, arguing that the herd should be liquidated to raise funds for machinery (Inspector Wadsworth's Reports AR, 1891, 1892, and 1895).^{40, 41, 42}

Cote band's indebtedness to local business prior to surrender showed another effect of surrenders - providing purchasing power which bolstered local businesses. In anticipation of the surrender, virtually all members of the band had become indebted to local merchants. The Department authorized a band request that capital moneys be used to pay off these debts.⁴³ The indebtedness profited local merchants while exerting pressure on the Department to go through with the surrender so that the debts could be liquidated. In this case, the indebtedness in anticipation of surrender also nullified the previous suggestion of the Department to agent Jones that cattle be sold to purchase machinery.

When Graham was asked to investigate Cote band's complaints he wrote to Secretary McLean that the government had been guilty of "non-fulfillment of the terms of the surrender", a phrase Graham was reprimanded for using.⁴⁴ After all, Secretary McLean said, the terms of the surrender were "vague" and the government would continue to follow its usual practice.⁴⁵

Sometimes the lands sought for surrender were being used by Indians for agriculture or as hay land. For example, Ocean Man and Pheasant Rump reserves were, according to agent's reports, better suited to agriculture than White Bear. The agent reported that the band had begun to cultivate the land. At the time these reserves were surveyed, it was noted that White Bear Reserve was not an area adapted for farming "except on a small scale", whereas Ocean Man and Pheasant Rump were described as having high quality farming lands.⁴⁶ This was subsequently borne out by reports of agents and inspectors (AR, 1899, Halpin, Farmer in Charge, Moose Mountain agency).

Sometimes, bands had made improvements and erected buildings on the land to be surrendered. Ocean Man and Pheasant Rump band members had erected buildings, made other improvements and had 86 acres broken in 1898 (AR, 1898, A. McGibbon).

The Cowesses land surrender along the north side of the CPR line at Broadview did not involve good quality agricultural lands. It did include hay lands which were vital to the support of the band's livestock operation. At the time of initial inquiries in 1885, local agent McDonald expressed concern over the proposed loss of the haylands which provided several thousand tons of hay required each year. McDonald suggested, however, that lands north of the

Qu'Appelle River and Crooked Lakes could be exchanged for the haylands, since they could acquire the necessary hay there. Even then, the agent recognized that "the Indians will be giving up far more valuable lands than they will be receiving".⁴⁷ By 1902, David Laird's personal investigation of the possibilities of surrenders by the Cote, Kahkehistehaw and Ochapowace bands confirmed that Cote's hay lands were almost wholly within the lands proposed for surrender. Moreover, at other reserves, band members had begun settling the southern portion of their reserves, the very lands being sought for surrender.⁴⁸ These considerations seldom overrode the Department's commitment to securing lands for settlement.

In its determination to secure surrenders, the Department interpreted and implemented the Indian Act so as to get surrender more readily. Consider, for example, the requirement of majority assent, according to which the male band members, with an interest in the land, aged 21 or over, must concur in the surrender. Two types of questionable interpretations of the requirement were used in Saskatchewan surrenders.

First, the Minister stated that the Department chose to interpret this as a majority of those voting at a meeting called for the purpose of considering the surrender, rather than a majority of interested members. He told the House

that if a majority of the band were required to assent "there would be no surrender taken from the Indians in Canada which would be valid..." (Canada, Hansard, 1909-1910, p. 1877).

Second, the Department aimed to reduce the number of band members who would be interested in a surrender. The extreme method of accomplishing this can be seen in the case of Chacastapasin, reserve number 98, in 1897. The 24 square mile reserve was located about 15 miles south of Prince Albert along the South Saskatchewan River. The band members continued a nomadic hunting lifestyle and did not settle on the reserve, although they gathered there annually to receive their treaty payments. As early as 1885, the government set its sights on amalgamating the band members with other bands, and selling off the reserve. Band members requested an exchange of the Chacastapsin lands for lands adjacent to James Smith reserve at La Corne.⁴⁹ Reed, however, preferred to amalgamate band members with existing reserves without offering additional lands. Those who wished to farm should be located where a farm instructor was available; the rest should be encouraged to join hunting or fishing bands.⁵⁰ In 1895, Reed attempted to have Chacastapasin revert to the Crown by Order-in-Council, rather than by a surrender. Commissioner Forget was told to ensure that members of the band had formally joined other

bands. Reed expected that this would obviate the need to seek a surrender.⁵¹ The Department worked to gain formal admission of Chacastapasin's band to Cumberland and James Smith bands. However, the plan was derailed by a Justice Department opinion questioning the legality of a confiscation of Stony Knoll reserve under circumstances similar to those at Chacastapasin. Moreover, the Justice Department questioned the legality of transfers of band membership.⁵² Therefore, the Department sought a formal surrender, and obtained the surrender of the entire reserve on June 25, 1897, signed by nine people.⁵³ In 1902, 85 former Chacastapasin members were located at seven bands, so that capital monies could be distributed proportionately to those bands.⁵⁴ It is not known how many members traveled to the 1897 surrender meeting and participated in the vote, but because only nine people signed, it is likely that this was an instance of securing a surrender by a vote of a majority of those present at a meeting rather than from the majority of members.

A similar approach was used to secure the surrender of the Fishing Lake (Yellow Quill) reserve in 1907. The Yellow Quill band, regarded as a single band by the Department, was located at three distinct sites: Fishing Lake, Nut Lake and Kinistino. When Department officials attempted to gain assent to a draft surrender agreement for Fishing Lake

Reserve, they learned that the Fishing Lake residents were unwilling to recognize the interests of the Nut Lake or Kinistino residents in Fishing Lake properties, and were also unwilling, therefore, to share the cash proceeds or moneys funded in trust. To secure the surrender, then, the government had first to obtain an agreement by each of the groups relinquishing interests in others' lands. Having accomplished this, the surrender of 13,170 acres of Fishing Lake reserve for sale was obtained in August 1907, and approved by Order-in-Council on September 7, 1907.⁵⁵

The government typically made cautious advances when seeking surrenders, trying not to seem too insistent lest the Indians bargain from a standpoint of higher estimation of the value of their lands. The attitude of the Department, expressed in connection with the Ocean Man and Pheasant Rump surrenders was that the lands were of less value to the Indians than to 'actual settlers'; surveyor Ponton stated: "While the land is worth no more than \$1.00 per acre or \$47,104.00 to the Indians it is worth much more to a private individual or company".⁵⁶ The idea, then, was to obtain a surrender of the land at its worth to Indians, something which could be best accomplished if the Indians did not have a sense that their lands were sought after. When agent McDonald was asked to look into the surrender of Kahkehistehaw, Cowesses and Ochapowace lands along the CPR

line, he advised proceeding with caution, lest Indian suspicions be excited that an injustice was being meted out to them and word spread that they are being "plundered".⁵⁷

In addition to these procedures based on interpretations of the Act, a surrender agreement depended on two important ingredients: cash and promises. The Department recognized the need for 'inducements' to achieve the desired surrender, especially in cases where no lands or poor lands were to be given in exchange. For example, in order to secure the 1907 Cote Surrender, Inspector Graham wrote that "it will be necessary to offer these Indians some good inducement in the way of a cash payment".⁵⁸ In the case of the 1902 Cumberland 100A surrender, Commissioner Laird noted that before talking with the Indians, "it will be necessary to be in a position to state the terms the Department is prepared to offer as an inducement for them to give up their land".⁵⁹

Agents came to the meetings called for the purpose of taking a surrender vote with strongboxes filled with currency which was to be given out in per capita distributions the moment the surrender vote was obtained. For example, after initially unsuccessful efforts to obtain a surrender of Kahkehistehaw reserve, Inspector Graham met a second time with the band, achieving a majority vote favoring surrender after a lengthy discussion. Inspector Graham and agent Millar reported that they were then

distributing the per capita monies until midnight and the next day.⁶⁰

The amount of cash to be distributed could decide the matter. In the Cowesses Surrender, for example, the per capita cash payment made was double that initially authorized by the Department. Instead of a per capita payout of one-twentieth of the expected sale value of the land, the Indians requested a payout of one-tenth. Graham hastily sought and obtained permission to double the cash payout. Indeed, if dates of archival documents are accepted at face value, the approval was received retroactively, the decision to make the additional payout being made on the spot, without Departmental approval, in order to secure the surrender.⁶¹

Cash distribution on the occasion of a surrender vote was the usual practice. When Department chief accountant D.C. Scott sought to defer an initial cash payment for Cote band's second surrender until thirty days after disposal of the land, missionary McDougall who had been entrusted by the Department to negotiate the surrender, refused to even discuss such a proposal with the band. After all, the members of Cote's band had received a cash payout at the surrender the previous year, when the land company purchasing lands for Kamsack town site financed the initial payment. A cash distribution was the precedent set at Ocean

Man and White Bear and at other surrenders. The Department found the resources to make initial advances in the Land Management Fund.⁶²

Band needs for cash could be greatest when local and regional economic conditions were poorest. So bands were often most anxious to surrender lands and offer them for sale when markets were depressed. Sometimes, Department officials would discourage surrender until market conditions improved. At other times, they took the surrender and sold the land at low upset prices.

When the Poorman's surrender of 8,080 acres was taken in 1918, a rare exception to an initial cash disbursement occurred. The promised initial distribution of cash was not made, despite Commissioner Graham's protests that the surrender agreement stipulated a \$100 cash payment per head. Instead, the Department sent a cheque to the agent. The reason given was that the rules established by the War Purchasing Commission forbade direct payment to the Indians from a Trust Fund.⁶³

Initial cash payments were usually \$100/head; sometimes less. Future cash payments were also promised. Second payments were often promised within six months time. However, the Department reneged on the promised second payments when land sales were slow, or when lands were sold

below expected prices, resulting in lower than expected receipts.

Cote band members demanded a second payment on the 1905 surrender, pointing out that the terms called for a second payment to be made six months after the surrender. The Department held the view that the second payment would be made thirty days after the date of land sale. Although the Deputy Superintendent General had instructed the Indian Commissioner to try to convince the Indians to change their terms to those desired by the government, there is no record that such an agreement was reached.⁶⁴ In this case, the withholding of the second payment was used by the government to convince the band to agree to permit the sale of land below the upset price of \$10 per acre which the band had insisted upon at the time of surrender. The band was forced to agree if it wanted to see the money it had been promised.⁶⁵

In the case of the 1909 Key band surrender, the government reneged on the second payment to the band on the grounds that it had not yet received the second installment on the purchase price from those who had bought land in the December, 1910 sale.⁶⁶

At times, the government refused to honor its commitment to make annual interest distributions. For example, when the Assiniboine band asked why promised annual interest payments

had not been made. Secretary McLean said that the written terms of surrender did not make this stipulation, and the Department would manage the money as it thought best.⁶⁷ The band was not satisfied with this explanation, and pursued its inquiries by petitions in 1909, 1914, and 1916 repeating that this had been promised to them.⁶⁸

Department policy was to keep Indians in the dark as much as possible about the particulars of the written surrender terms. Thus, regarding the 1904 Cote surrender, Frank Pedley indicated that an unconditional surrender was to be obtained, so that the Indians would not "be burdened with any conditions as to percentage to be taken for the Management Fund nor any details of the manner in which the avails of the surrender are to be expended".⁶⁹

These examples illustrate the approach taken by the Department to land surrenders. Initial cash payments were made through advances from the Indian Land Management Fund, and later by special votes of Parliament for the purpose. Before further monies would be paid out, the Department required repayment to the Land Management Fund from sale proceeds. Only then would the promised second payments be made. And only then would monies be credited to the Trust Accounts of the bands to accrue interest. Land sales at low prices, or the failure to sell lands at all, led the Department to renege on its promises. Departmental

correspondence indicates that the government felt fully justified in violating surrender terms on these grounds.

Moreover, when land buyers failed to make scheduled payments, the Department was lenient. It did not require land holders to forfeit the land, even when the band asked for foreclosure. In the case of the Mucowequan band's surrender of lands in the Lestock area, purchasers petitioned for relief from payments because of three years of poor crops.⁷⁰ The band petitioned in 1933 and 1934 for foreclosure. Subsequently the government's Farmers Creditors Arrangement Act's Review Board reduced the debt owing by these farmers. The consequence of this leniency was registered in the capital and interest accounts of the bands involved.

Although changes to legislation in 1906 permitted a payout of up to 50% of the value of surrendered lands, the Department did not make initial cash payments of this size. These monies would only be received through subsequent payments as lands were sold and installment payments on the sale received by the government. The balance, after deductions for the land management fee, was to be funded in the Trust Account, earning interest which would be transferred to the band's interest account.

Accompanying the cash inducements were promises of a better life for the people. These included promises that

reserves could obtain more or better farm outfits from proceeds of initial cash distributions, and from capital moneys deposited to their capital accounts. Terms also typically included a promise of regular, usually annual, per capita distributions of interest earned on the funded moneys. At times, terms were included which permitted expenditures of capital, as well as interest monies, on current needs of the destitute and elderly, among others.

It was common for these promises to go unfulfilled, as revenue would not be sufficient to fulfill them. The capital funds, which were to provide annual interest income to band members, did not always grow as promised. When funds were credited to a band's capital account, annual per capita payments could be made. This provided cash income in supplement of the annuity payments.

Despite these shortcomings in Departmental adherence to the terms of surrender, these payments could be significant where substantial land surrenders had been made. There is a positive relationship between the ratio of per capita annuities plus interest payments to per capita incomes by agency and the proportion of lands surrendered. Those with above average share of annuities and interest payments in per capita incomes included Crooked Lakes, Qu'Appelle, and Pelly agencies, which had registered losses of 40-44% of their original reserve lands. File Hills, Onion Lake,

Carlton, Battleford, Touchwood, and Assiniboine agency show below average ratios of annuities plus interest in per capita incomes; these had lost from seven to twenty-three percent of their original acreage. Moose Mountain agency, which had a loss of 60% of original lands, through the loss of Ocean Man and Pheasant Rump reserves, showed below average contribution of annuities and interest to per capita income. This may be accounted for, in part, by the low price received for land in the Departmental land scam. (See Table 5.4)

Table 5.4
Relationship Between Percentage of Original Lands
Surrendered and Proportion of Per Capita Incomes From
Annuities and Interest

District	Lands Surrendered as proportion of original acres	Share of Annuities and Interest in total per capita income
File Hills	7%	4%
Onion Lake	7%	6%
Assiniboine	12.5%	5%
Carlton	13%	12%
Battleford	15%	10%
Duck Lake	20%	9%
Touchwood Hills	23%	11%
Crooked Lakes	41%	26%
Pelly	43%	21%
Qu'Appelle	44%	17%
Moose Mountain	60%	12%

Sources: Schedule of Indian Reserves of Canada; Annual Reports of Department of Indian Affairs. Land data for Battleford adjusted to discount major land exchanges by Moosomin and Thunderchild bands. Share of annuities and interest calculated as mean of 1914, 1915, 1916, 1917, 1924, 1929 and 1934 data.

5.4 Indian incentives for surrender. The drive to free lands for settlement, speculation, and other development

purposes explains the demand for Indian reserve lands and the government policy of seeking their surrender. It remains to be explained why Indians made the surrenders. Raby concluded that land surrenders were a source of cash, as well as means to pay off debts, to buy capital equipment, and to provide relief (Raby, 1973, pp.44-45). Departmental policy and practice constrained how surrender monies were used in each of these purposes. "We have no liberty to use what is ours" Chief Cote stated in the 1911 meetings with government officials in Ottawa.⁷¹

Indian attitudes toward land surrender were influenced by the legacy of reserve development inherited from the previous decades. Agricultural success had been limited. Agricultural and other economic assistance from the government had become negligible. The ban on machinery purchases with any moneys directly or indirectly arising from government expenditures severely curtailed access to farm machinery. Relief and other assistance had also been sharply curtailed.

Per capita incomes of Indians on reserve in Saskatchewan in 1896 were about \$25. Money for current and capital needs was extremely scarce, while the cash economy had burgeoned. This was evident in the reports of surrenders sought by Poorman's and Cote bands.

Poorman's band initiated a request for a surrender, approved at a band meeting by a vote of 20 to 1 in 1914. The band wanted a surrender, because their crops had been poor, hunting terrible, and they needed money to live. The agent had argued against the proposal on the grounds that the land market was depressed and that a fair price could not be got for the land.⁷² The Department demurred taking a surrender until land prices improved. In 1918, Commissioner Graham took surrender of 8,080 acres, not because prices had improved, but because of the desperate need of the band for cash.⁷³

In reference to seeking a surrender of part of Cote's Reserve in 1912, D.C. Scott wrote to Frank Pedley, that the band was "restless and want to lay their hands on more money and they don't care what they do to get it."⁷⁴ In August, 1912, Cote band was desperate for cash to obtain equipment for hay-making that fall. Chief Cote implored the Minister of the Interior "If you can't grant us this surrender will you give us another payment on account of our Interest money?"⁷⁵

Land surrender, then, was the major untapped source of money. This was brought home by the agitation of business leaders in the towns, of land speculators and settlers, and of the railways. The amount of initial distributions, made at the time of surrender, could be substantial. At the 1909

Keeseekoose surrender meeting \$11,475 was paid out to the people present.⁷⁶ Payment at the 1907 Cowesses surrender, where Graham doubled the amount of the initial payment in order to secure the surrender, \$66 per head amounted to \$12,210 (although these were reported by Graham as two payments in his accounting for cash distribution).⁷⁷

The Department imposed its own ceiling on initial payments. At times, it appealed to legislated limits. For example, at the time of the 1912 Cote surrender, the government refused the Indian request for a payment of \$10 per acre at the time of surrender, stating that the Indian Act provided for a payment of only 50% of sale proceeds. At other times, it appealed to its own judgment about what would constitute encouragement to profligacy above the minimum necessary to secure surrender. This was stated by Interior Minister and Superintendent General of Indian Affairs, Frank Oliver:

Although we got a little more [from the sale of the lands] we did not want the Indians to get into a bad habit of having too much money; so we only pay them the same now as they will get hereafter [in interest on capital funded].⁷⁸

Some bands resisted surrendering their lands. The Ochapowace band, refused to surrender any of its lands in 1907, when the surrenders for neighboring Cowesses and Kahkehistehaw were taken. In 1902, Councillor Kutakinacoos and Chief Kahkehistahaw were strongly opposed to the

surrender of lands, but five years later, Kahkehistehaw surrendered lands, while Ochapowace remained firm, not surrendering lands until 1918.

There does not appear to have been a concerted movement against land surrenders (Raby, 1973). Older people, who remembered the treaty promises and were suspicious of surrenders, formed part of the opposition to surrenders. They were important, for example, in forestalling the surrender of Ochapowace lands. The old headmen of Ochapowace reserve were considered to be obstacles to surrender and other 'progress', to the extent that the agent urged that they be deposed. Efforts by the Department in 1911 to elect leaders more to their liking failed twice. In 1917, the chief and councillors of Ochapowace band were removed from their positions by the Department. The 1919 surrender was obtained when the band was without chief or councillors.⁷⁹

Sometimes Indian farmers and others living on lands which would be surrendered, or who depended on the hay or other resources of these lands, formed part of the opposition. Cote surrenders through 1913 had taken away most Indian farms. Most band farmers had called it quits. Rev. McWhinney urged the Department to set aside a reserve for those who wished to farm. McWhinney thought that in this way, reserve farm lands would be protected from the

influence of Chief Cote who encouraged successive surrenders.⁸⁰

The department sought to accommodate such interests by including terms to pay for improvements to the lands which were sold and sometimes to include an exchange of lands to make up for the lands lost. Such exchanges usually involved acquisition of less valuable lands than those surrendered.

Sometimes, church officials intervened against proposed land surrenders, when they perceived that agitation for the surrender was being organized by speculators or other business interests. Archdeacon J.N. McKay, for example, wrote first to Laird, then to the Deputy Superintendent General to oppose the proposed surrender of Cumberland 100A as "certainly not to the advantage of the Indians", especially having regard to their future need for lands when hunting and fishing resources became inadequate.⁸¹ Rev. McWhinney complained against agitation for a surrender at Cote which was completed in 1913. He noted the irony that "...since this agitation started for Surrendering the Reserve there has been little or no progress. It is the fault of those who have brought about and encourage this agitation. Yet the lack of progress has been used as a reasons for depriving them of their land".⁸² At other times, as in the case of the Cowesses surrender, church officials favored and worked for the success of proposed surrenders.

Agents sometimes urged against surrenders, especially when they saw that the loss of lands could adversely affect the success of reserve agricultural pursuits. At Cowesses, the agent continually resisted efforts of the people of Broadview to secure a surrender of Cowesses lands, because of the importance of haylands to their farming efforts, and because of the lack of alternative lands to grant in place of those which would be surrendered. The surrender did not go through until a new agent was installed in the District.⁸³

On other occasions, however, agents were among the most active agitators for surrender. Agent Carruthers, for example, argued strongly for the Cote surrender for Kamsack town site, even though it was contrary to Departmental policy to have town sites located on or adjacent to reserves. Carruthers saw in the surrender the only way to raise money for horse, oxen, and machinery. "I can see nothing ahead of them but poverty as they have absolutely nothing to make a start with".⁸⁴ But the Department replied that the Indians could sell their cattle if they wanted to start up agriculture.

These forces, even when they acted in concert, were not usually strong enough to prevent surrenders for very long. That would have required a general willingness to accept

often harsh short term sacrifices consequent on refusing a surrender.

The degree of those sacrifices could be exacerbated by Departmental decisions to withhold rations, clothing, assistance for the destitute, and agricultural assistance until the Indians saw that the only way to fill these needs was by land surrender. Income from a trust fund would provide an annual stream of money, but not on the scale of a living stipend. Moreover, the income stream would diminish over the years as the Department authorized expenditures from the capital account as permitted under the Indian Act (See Appendix Two).

Those interested in seeing a surrender frequently encouraged Indians on reserves to support the surrender. At Cote Reserve, for example, there were suggestions that the movement for the 1913 surrender was not initiated from the rank and file, but by Chief Cote who "is being worked by the white men for their own gain".⁸⁵ The implied promise of a surrender was that the band could live comfortably on the annual interest payments - if only enough land could be surrendered and enough money received per acre. It was this promise which was reflected in the suggestion that if the band surrendered all their lands, the men could "play pool all they want".⁸⁶ When the promised proceeds did not materialize, Chief Cote and others made persistent formal

complaints to the Department for an accounting of the surrender moneys. As indicated above, satisfactory accounting was never made, even after meeting for several days with the Minister in Ottawa.

The long-term interests of the reserve were not unambiguously served by refusing a surrender. Cash was urgently needed for immediate needs. The cash proceeds could also be used to pay debts on farm equipment owned by reserve farmers, or to secure farm outfits for those who wished to take up farming. Land sales were one of the only means available of secure money for these purposes.

There was an incentive for Indians to secure the maximum cash disbursement, because it was only over those funds which they exercised discretion in their expenditure. Money funded to the band's account could be spent only at the discretion of the Department. The conditions which the Indians proposed for surrenders revealed a concern for achieving a balance between immediate needs and long-run developmental concerns.

Cash for purchasing productive equipment figured as one of the most common justifications by bands for approving surrenders:

Keeseekoose: the 1909 surrender specified that the money from the sale of lands could be used to purchase livestock and equipment to begin farming.⁸⁷

Key: In 1908, the band asked agent Blewett to seek permission for surrender of lands, with part of the money from the sale to be used to purchase horses and farm equipment.⁸⁸

Cote: The 1904 surrender was said to have been sought at least in part for capital purposes.⁸⁹ In the terms of surrender proposed by Cote's band in 1912, the band requested that moneys funded from the surrender be used to purchase machinery or farming outfits for the band, and that at the time of the initial surrender payment, sufficient money be left with the agent to permit similar purchases to be made for young men who wished to start farming. The first request was refused, the government refusing to permit trust fund moneys to be used for capitalization purposes. The second was acceded to in part, on the condition that the moneys left with the agent be deducted from the 50% cash distribution, not from capital funds.⁹⁰

It may be that these terms were proposed, in part, as legitimizing reasons, which would be favorably received by the Department. Sometimes, the inclusion of this condition appears to have been a formality. The Ochapowace surrender of 1919, for example, includes an initial cash payout of \$110 in cash, with the balance of the 50% pay out to be used for rations for the aged and sick; houses for the old and destitute, and almost as an afterthought, assistance for

young men to start farming, with no further specifics (Order in Council, Sept. 17, 1919).⁹¹ But these terms do not appear in all surrenders. They appear mainly in those initiated outside the Department, by bands. The proceeds were often used in the manner stipulated, in some cases band members giving the agent the funds for safekeeping for capital purchases.

Money from surrenders also facilitated debt reduction. The substantial debts incurred by Indians in connection with the Kamsack agitation for surrender included debts for agricultural equipment. In another instance, Carry-the-Kettle band had originally refused to consider a surrender in 1901. By 1904, the band reopened the question of surrender. In return for surrendering nine sections of their reserve, the band asked that outstanding liabilities for their thresher and land improvements be paid from the funds raised in this way.⁹²

Insofar as the proceeds were used to finance the acquisition of equipment, land surrenders could further development efforts. The development choice facing reserves was: keep the land, largely undeveloped because of the inability to secure development funds, until some future time; or surrender land in order to acquire the machinery, equipment and operating capital necessary to build the economic base of reserve communities. The most desirable

scenario - that all lands be kept and developed - was not an option because of Departmental policy on agricultural and economic assistance.

Not all debts were for machinery and other productive assets: indebtedness to meet current needs was common. Credit was secured against future annuities, interest or earnings from produce and labour. In some instances, credit was extended to Indians with the dual aim of leveraging support for land surrender, while also establishing a claim against the proceeds which Indians would receive from the surrender. That was the case in the 1908 Cote surrender. McWhinney noted that the 1908 surrender was being proposed so that band members could get out of debt; but he observed that the men who had been allowed to run up debts of \$700 to \$1,500 had been given the credit only after the local agitation for the surrender had begun. McWhinney implied that there had been a deliberate attempt by local interests promoting the surrender to use debt as a lever to gain support.⁹³

Such debts, and creditor clamoring, could also be instrumental in loosening the purse strings of the government with respect to additional payments. In these cases, local commercial interests also played an important role in enlisting support among band members for surrenders.

5.5 Summary. The substantial loss of Indian reserve lands through surrender justifies the characterization of this period as one of land cessions. The demand for land arose from several sources: market growth and rapid settlement in the first decades of the twentieth century; speculative motives; lands for railways and townsites; and at the end of this period, demand for lands for soldier settlement. Indian interests were treated by the government as subordinate to the needs of settlement and development of the wheat economy. Moreover, the government saw land cessions as a means of succeeding in policies of retrenchment and ending agricultural assistance to Indians; land cessions became a means of securing cash to defray expenses which would otherwise have to be paid by monies obtained through appropriation votes.

Indian incentives for surrender were several: to obtain cash for immediate needs; to pay off debts; to secure a future stream of interest income; and to buy capital equipment. When government officials sought surrenders, they played on the need for cash. The total revenue to be paid out was raised from 10% to 50%, and officials charged with taking the surrender vote went to surrender meetings with strongboxes of cash to make tangible the immediate benefits of surrendering lands.

There were regional variations in surrenders. Surrenders were most common in the south and east of the province, and least common in the north and west. This reflected the greater pressures associated with settlement and commercial development in the south and east.

The cumulative revenue from land surrenders, including that amount distributed in per capita payments at the time of surrender and that funded to the capital account of the Band, totalled \$3.2 million between 1898 and 1930. The first big land surrender boom, between 1905 and 1912, saw cumulative revenues from land sales of nearly \$1.9 million. In the seven years 1906-1912, annual average revenue from land sales was \$247,000. In 1920, during the soldier settlement period, revenue from surrender of lands was \$893,000.

These revenues were significant additions to present and future incomes. The total land revenue during the period 1906-1912 was equal to 40% of incomes as reported in the annual "source and value of income" statistics; those statistics did not include the revenues from lands. Only part of the revenues were actually paid out at the time of surrender; a 25% payout at the time of surrender would have reduced the surrender payment to a much smaller amount, about 10% of income. These payments figured large for the band members who made surrenders. A payout of \$100 per

capita in a typical surrender yielded significantly more than the per capita income of Indians, which averaged \$73, calculated from the population and income statements of Indian Affairs between 1906 and 1912. Surrender revenue in the capital accounts also became an important source of interest income for bands who surrendered lands after 1901.

Interests were not aligned in a consistent way from surrender to surrender. Commercial interests, land developers and railways generally favoured surrenders. Depending on the circumstances, agents and other officials of the department and missionaries took different positions on surrenders. These reflected different views on the balance of benefits in the trade-off between keeping the land and surrendering it. In some cases, agents felt that on balance, a surrender would undermine a developing agricultural or ranching base; in other cases, that surrender would provide means to finance the purchase of agricultural equipment or meet pressing immediate needs. Missionaries also took these concerns into account. They also tended to be more sensitive to the pressures exerted for surrender on Chiefs and Band members by commercial interests, and were more likely to observe, in criticizing new surrender proposals, that previous surrenders had not resulted in creating the promised prosperity.

Within bands, too, conflicting interests were seen. These conflicts reflected the divergence of interests in bands as between different economic orientations and different choices for balancing various trade-offs - between present and future benefits, and among different uses of proceeds of sales. The multiple surrenders at Cote and intra-band conflicts there illustrate these differing interests. Chief Cote appeared to favour repeated surrenders as a source of ready cash, a course which conflicted with the interests of Indian farmers who had established successful farm operations. These conflicts came to the fore in petitions from Cote farmers who opposed further surrenders, and suggestions from Reverend McWhinney that two reserves be established, one of farmers and one of the Chief and others.

Land surrenders represented quite a different source of income than the sources which arose from marketed economic activities. Even though land surrenders could be construed as in some sense a market transaction, in fact the political element predominated. The process of negotiations and the surrender process itself was an interaction between bands and Indian Affairs officials of the Government of Canada. The band could decide to surrender or not on given terms, but had no say in the disposition of lands in the market. Chiefs and headmen played a crucial role in such

transactions. In the marketing of agricultural produce, livestock, products of hunting and trapping, labor and freighting services, the crucial role was played directly by the producers themselves.

CHAPTER 6

FROM THE GREAT WAR TO THE GREAT DEPRESSION

6.1 Market conditions.

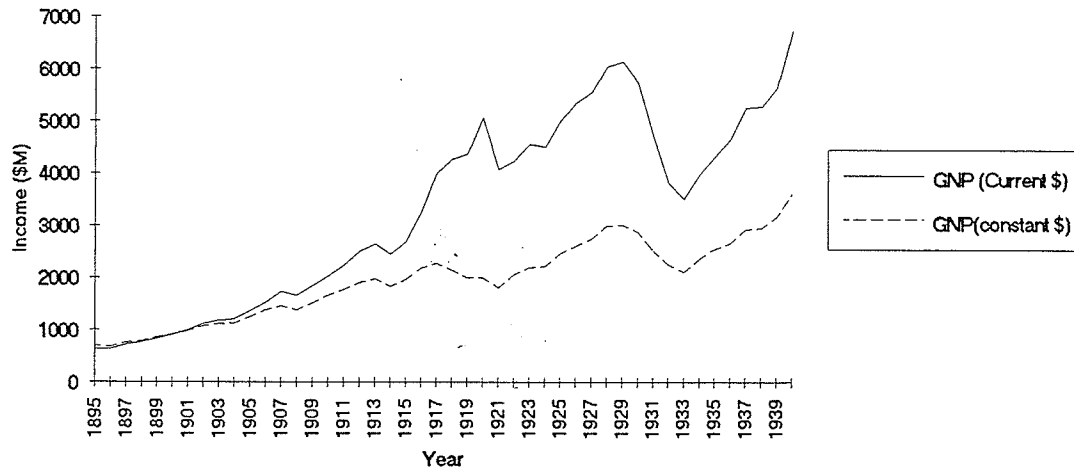
6.1.1 The world and national economy, 1896-1940.

1896 to 1914 was a period of extensive and intensive economic growth and moderate price stability (figure 6.1). Over that period, real GNP rose at an annual average rate of 6.5%. Per capita GNP rose by an average annual rate of nearly 4%. Real and nominal GNP, as well as per capita GNP, fell in two brief downturns of output and prices, in 1908 and 1913-1914. The price level rose at an annual average rate of 2.1%; but prices were virtually stable to 1903 (figures 6.2 and 6.3).

The prairie provinces were Canada's investment frontier during this period. Hundreds of thousands of homesteaders each invested in a farm outfit, in land improvements and in farm buildings. There were large-scale investments in commercial and transportation infrastructure (Fowke, 1957, pp. 70-84).

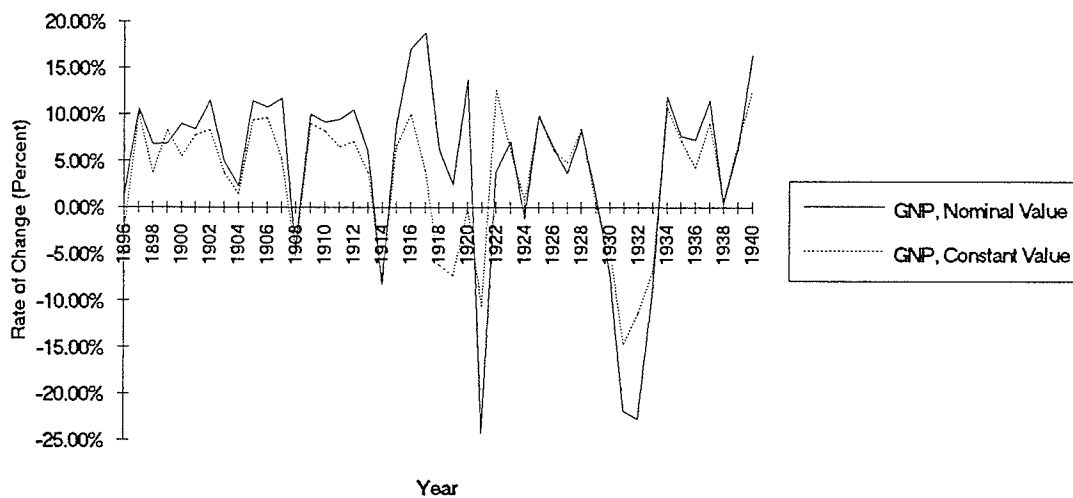
The grain transportation system, from local elevators to terminals, was indicative of the dependence of the wheat economy on world markets. Prairie farms concentrated on wheat as the principal cash crop. Feed crops were raised to

Figure 6.1: Gross National Product, Canada, Current and Constant Dollars (1900=100), 1896-1940



Source: Green and Urquhart (1987) and Urquhart and Buckley (1965)

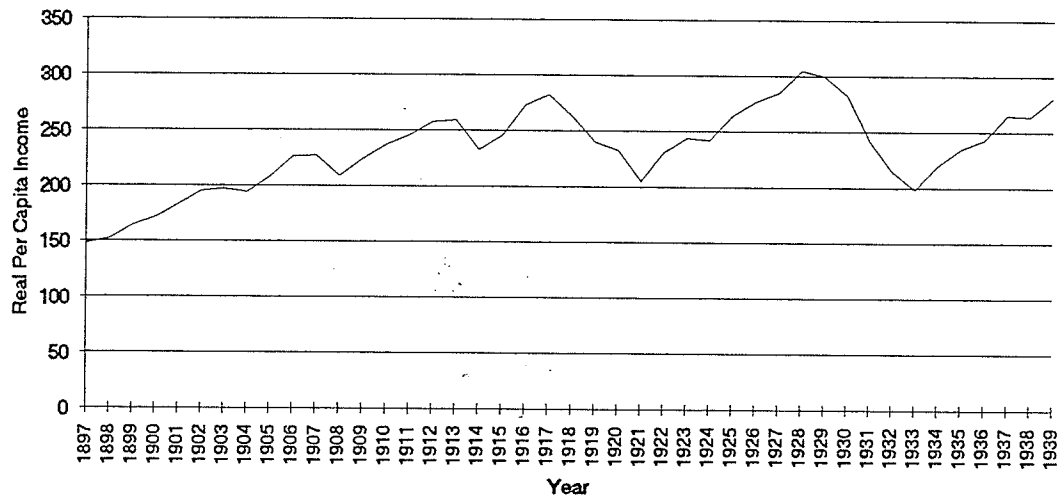
Figure 6.2: Annual Rate of Change of GNP, Nominal and Constant Value, 1896-1940



Source: Calculated from Chart 6.1 data.

support livestock and work animals. Wheat production in Canada rose four-fold between 1901 and 1911, from 55.6 to 230.1 million bushels. Net exports of wheat and flour increased dramatically over the period, from around 10

Figure 6.3: Real Per Capita GNP, Canada, 1897-1939 (1900=100)



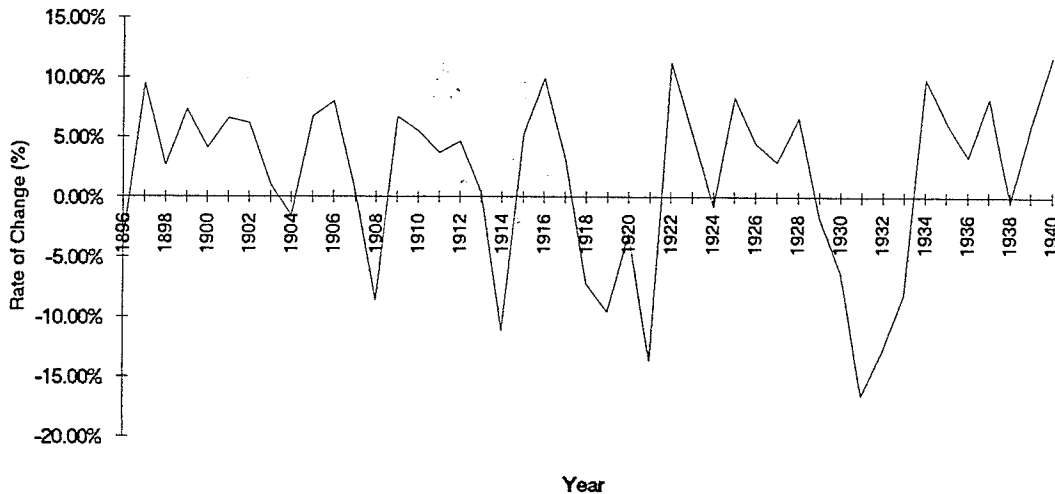
Source: Green and Urquhart (1987) and Urquhart and Buckley (1965)

million bushels a year in 1894-1896; more than twenty million bushels on average from 1898-1905; reaching more than a hundred million bushels a year after 1913. This period has been characterized as the "great boom" (Green and Urquhart, 1987). There was a qualitative as well as quantitative change in market conditions. Where earlier markets had relied primarily on local buying, such as government purchasing of provisions, now transportation infrastructure facilitated access to global markets.

Fowke (1957) estimated that this investment frontier had run its course by 1913. The period of growth and prosperity from 1896-1913 was followed by several distinct periods: an upswing from 1914-1917; inflation and declining real output from 1918-1921; expansion from 1922 to 1929 with a slowdown only in 1924; depression from 1929 to the 1933 trough.

followed by a recovery up to and through World War II (figure 6.4).

Figure 6.4: Annual Rate of Growth of Real Per Capita GNP, 1896-1940



Source: Calculated from Chart 6.1 data

In 1914, on the eve of the world war I, real GNP fell by 7.3% from the previous year. The price level fell slightly, by less than 1%. Between 1914 and 1920, GNP (current value) more than doubled. War time inflation accounted for much of the increase; the price level rose by 91% from 1914 through 1920, an average annual rate of more than 11%. Real GNP rose by 23% between 1914 and 1917, but then fell by 21% from 1918-1921.

The war fostered a "new era of expansion more pronounced even than that which had gone before" (Fowke, 1957), encouraging both industrial and agricultural production. Acreage under cultivation increased by 80% during the war

years. However, in 1920 prairie agricultural producers were particularly hard hit by severe "depressive forces" after the mid-1920s, which exacerbated drought and poor crop yields after 1915 (Fowke, 1957, p. 78).

From 1922 through 1929, Canada experienced economic growth. Current GNP rose to 50% above the 1921 level. Real GNP rose by an average annual rate of more than 6%. After rising by nearly 12% in each of 1921 and 1922, the implicit price index remained stable through 1929. However, during this period the investment frontier had moved from wheat and the prairies to new staples such as pulp and paper and non-ferrous metals (Fowke, 1957, p.82).

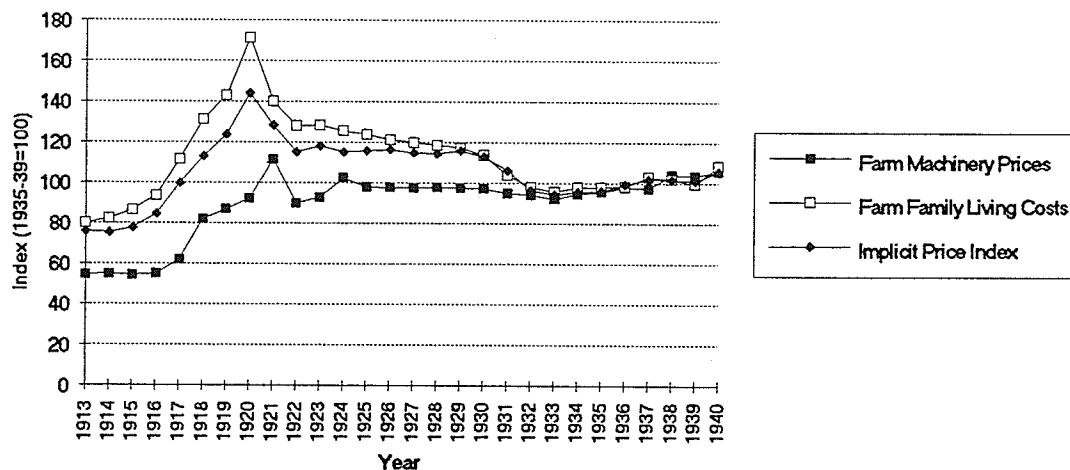
From 1929 through 1933, Canada was ravaged by depression. By 1933, real output had fallen to the 1922 level, while prices had fallen to the levels of 1916-1917. From 1933 to 1939, real output and prices began to recover, spurred on after 1939 by the war boom.

6.1.2 Agriculture and market conditions in Saskatchewan.

In calculating real GNP, the implicit price index derived from Green and Urquhart's (1987) new calculations of GNP in from 1870 to 1896 was used as a deflator; for the years after 1926, the estimates of Urquhart and Buckley (1965) were used, converted to a base year of 1900. Aside from the limited statistical base on which GNP data prior to 1926 are built, they will not reflect the specific prices

which faced settler farmers and the Indian people of Saskatchewan. Several sets of relevant prices are involved: the prices received for products produced and services rendered; the prices paid for productive inputs, such as implements, seed, and livestock; and the prices paid for consumer goods.

Figure 6.5: Comparison of GNP Implicit Price Index, and Indices of Farm Machinery Prices and Farm Living Costs (1935-39=100)



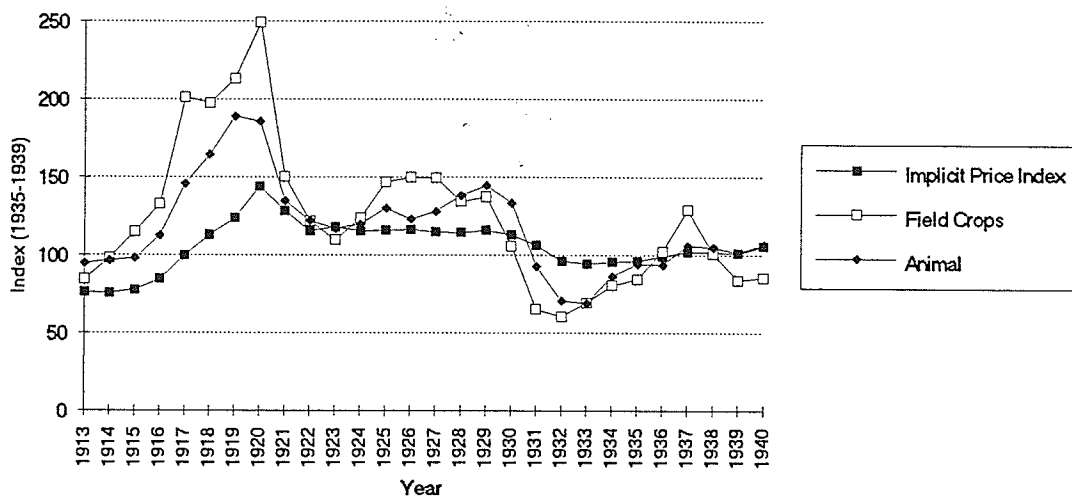
Sources: Urquhart and Buckley, 1965, Series L90, L95; Chart 6.1 data adjusted to new base.

Figure 6.5 shows that farm machinery prices are overestimated and farm family living costs are underestimated by this GNP implicit price index, although all showed similar patterns of movement. Figure 6.6 shows price indexes for field crops and animal products. The GNP implicit price index also underestimates the prices of these products up to 1930, with the exception of 1923. Farm costs and farm prices moved together, except after 1930, when

prices of farm products fluctuated while machinery costs and farm living costs remained steady.

Agricultural output varied widely from year to year. Acres seeded to wheat in Canada more than doubled between

Figure 6.6: Farm Product Price Indices, and GNP Implicit Price Index, 1913-1940



Sources: Green and Urquhart, 1987; Urquhart and Buckley, 1965, Series J75,7681,82

1901 and 1914. By 1925, acreage sown to wheat had doubled again, and reached a high of 27 million acres in 1933, after which lower levels of seeded acreage were recorded until 1941. Canadian wheat yields averaged 20 bushels per acre from 1909 to 1917; 13 bushels per acre from 1918-1925; 17 bushels an acre from 1925-1930; and then declined through 1938 (Buckley and Urquhart, 1965, series L125-L126. See figure 6.7).

Cattle were another important farm product. Figure 6.8 shows the three year moving average value per head of cattle

in the prairie provinces. The trend was cyclical, with peaks in 1918 and 1928 and troughs in 1923 and 1933. Figure 6.9 shows the number of cattle in the prairie provinces; the number varied inversely with prices.

Figure 6.7: Wheat yields (three year moving average), 1909-1940

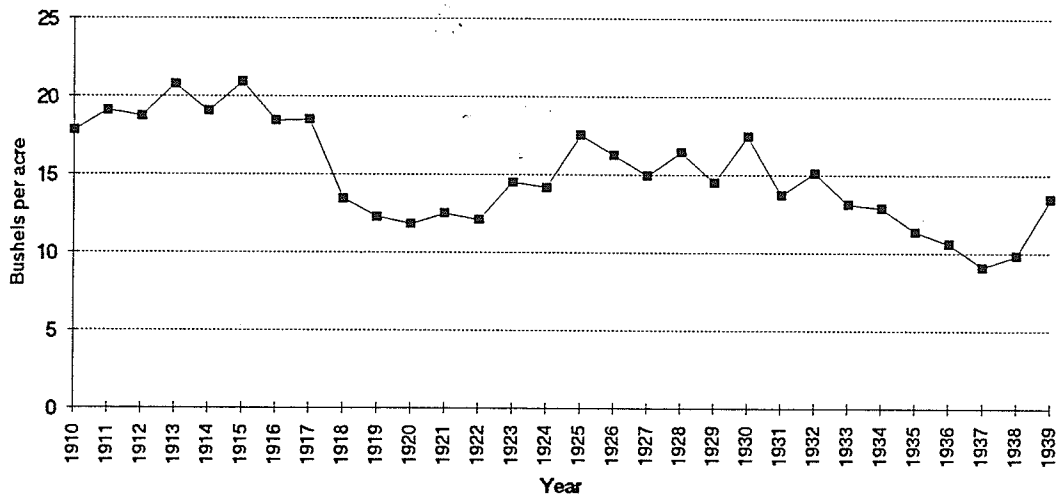
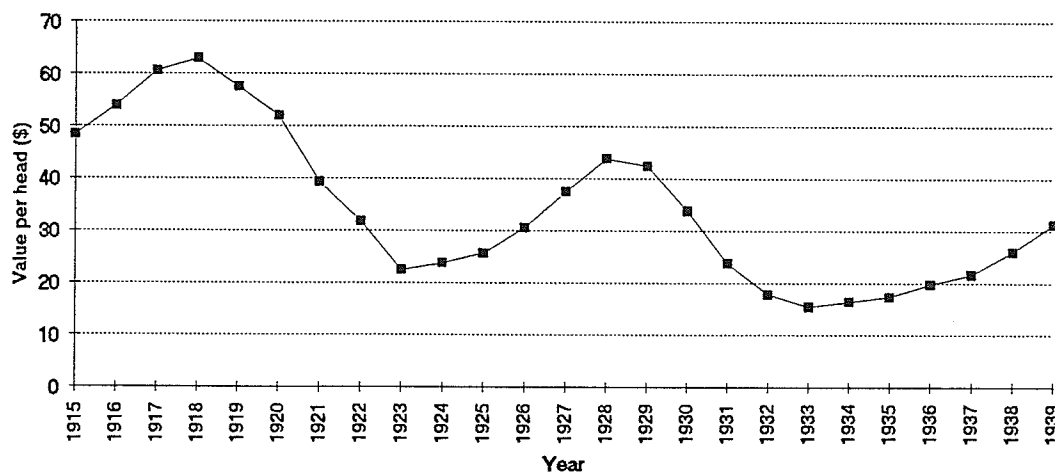


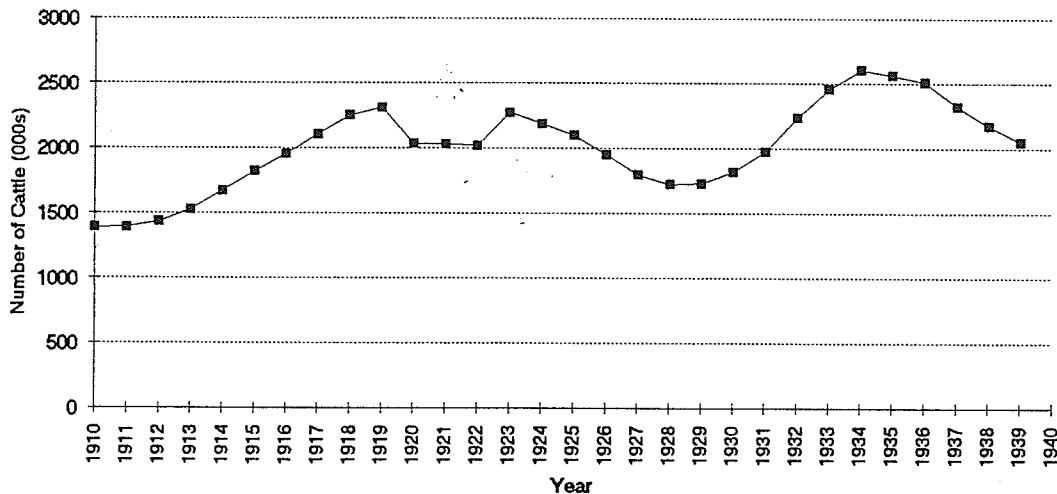
Figure 6.8: Value per head, cattle, prairie provinces (three year moving average), 1915-1940



Source: Buckley and Urquhart, 1965, Series L213-214

Fur harvests were influenced by depletion of the fur resource in many areas. As Ray (1990) notes, fur prices in the inter-war period followed the general cycle of the

Figure 6.9: Number of Cattle in Prairie Provinces (three year moving average), 1909-1940



Source Urquhart and Buckley, 1965, Series L213

economy, with high rates of trapping and subsequent resource depletion steadily undermining trapping efforts. In the 1930s, there was increasing encroachment on dwindling fur stocks by non-Native trappers. These led to government measures to conserve furs and to foster Indian access to trapping areas. The conditions of Indians relying on trapping, the so-called "hunting Indians", found their lot increasingly difficult by the late 1920s. This also meant that hunting and trapping provided no wide-scale alternative for agricultural Indians who suffered the effects of the depression from the early 1930s.

6.2 Government policy

Government Indian policy during this period went through phases. During the First World War, government policy was influenced by the demand for "surplus" Indian lands to be surrendered for the demands of Soldier Settlement and to be used to increase agricultural production to support the war effort. In the depression, Government policy addressed some measures for relief and recovery. In the intervening decade 1920 to 1930, the policy of the Department was one of relative neglect, a sign that, in the view of the Department, economic conditions were good and improving largely as a result of the successful efforts of Indians in agriculture and ranching. During that decade the two main initiatives of the Department were in the management of fur stocks for hunting and trapping Indians, and the replacement and upgrading of the reserve housing stock.

6.2.1 Soldier settlement program. The Soldier Settlement Act of 1917 made provision for loans to support veterans who wished to start up farm operations. This was used only to a small extent by Indian veterans as a source of capital.

The Act empowered a Soldier Settlement Board to grant up to 160 acres of land and provide loans of up to \$2,500 to start farm operations. In time, further loans were authorized for land purchases and for land improvements (An Act to Assist Returned Soldiers in settling upon the Land

and to increase Agricultural production, Chapter 21, 7-8 George V; An Act to Assist Returned Soldiers in settling upon the Land, Chapter 25, 9-10 George V, 1919).

The government refused to permit Indians to secure lands off-reserve unless they accepted "enfranchisement", that is, gave up Indian status. Scott had even argued, unsuccessfully, that even on-reserve participants in Soldier Settler loans should be required to enfranchise as a condition of participation.⁹⁴ Since the Soldier Settlement Act required loan recipients to put up land as collateral, the Department attempted similar measures on reserves. Its policy was to have the loan recipient "located" on a piece of land, and then take a mortgage on the land as security.

The Department was at times unsuccessful in securing band approval for formal "location" of the borrowers, meaning that mortgage instruments could not be executed. Samuel Whitecap of the Assiniboine Reserve received a loan under the Act in 1921.⁹⁵ Another veteran, Patrick Brittain of James Smith band obtained a loan of \$310 under the Soldier Settlement Act.⁹⁶ Location tickets were refused by both bands in these cases. The Assiniboine band argued that since Indians had been volunteers, they should be given extra consideration.⁹⁷ The James Smith band refused to issue a location ticket if Brittain planned to mortgage the land.

Titley (1986, pp. 43-46) accepted the Department view that the scheme was generally successful. That may have been true in Ontario, where most recipients of Indian Soldier Settler loans were located. Few such loans were made in Saskatchewan, and they met with less success.

By 1924, 218 loans had been granted by the Department under the Soldier Settlement Act. Of those, 191 were reported active, four repaid in full and 23 "salvaged". To 1924, \$387,009.95 had been advanced, an average of \$1,775 per loan.⁹⁸

In Western Canada, the program was administered by Graham. In Saskatchewan, 17 loans were reported issued by 1922. Of these, 7 were from the File Hills agency and 6 from Pelly agency. The Assiniboine, Touchwood, Qu'Appelle, and Duck Lake agencies reported only one loan recipient each. The loans totalled \$21,165, an average of \$1,245 per loan, less than half the allowable limit.

In Saskatchewan, the loans were used for purchase of equipment, such as wagons, sleigh, mowers and discs, harrows, drills, and binders. Horses were also purchased, as was lumber for construction of houses and out buildings.⁹⁹

Two cases of such loans in Saskatchewan show that program was sometimes unsuccessful in establishing Indian farmers on reserve. Patrick Brittain purchased two mares, a harness and two collars and put in a crop in the 1921

season, but through misfortune both animals were dead within the year. Brittain left the reserve for other pursuits, and over the years his payments were made late and irregularly until the loan was written off in 1956.

Samuel Whitecap was discouraged after a bad season which saw both crop failure and livestock losses. His assets were seized by the government and turned over to another veteran, Angus Artist when he left the reserve. Artist fared no better. The Department re-possessed the assets in 1925 because "[Artist] was not capable of taking advantage of his opportunities".¹⁰⁰ Artist died in 1929. The government abandoned loan collection efforts in 1937.

The low participation of Saskatchewan Indians in the soldier settlement scheme was not due to any shortage of Indian soldiers. In the annual report of 1917, it was reported that of 15,000 men of military age, more than 2,000 had enlisted. It was reported that half of the adult males of Cote reserve had enlisted - 21 of 43. The numbers of Indian soldiers had risen to "approximately 35% of the Indian male population of military age resident in the nine provinces" (AR, 1918, p. 14). By 1919, it was reported that 24 of 38 adult males of the File Hills Colony had enlisted. Many of these soldiers distinguished themselves in the war, receiving decorations for action under fire (AR, 1919, p. 19). In Saskatchewan only some 17 veterans, mostly from File

Hills and Pelly agency bands, participated in the Indian Soldier Settlement loans program, despite the emphasis on agriculture on Saskatchewan Indian reserves.

6.2.2 Greater production scheme: 1918-1922. World War I provided a receptive atmosphere for Graham's 1918 proposal to use Indian lands to increase food production. The so-called greater production scheme had three components:

1. Encouraging individual Indians to increase their crop production
2. Leasing reserve lands to non-Indian farmers. Across Canada, 16,374 acres were leased for cultivation and 297,024 for grazing.
3. Establishing and operating "greater production farms" on Indian land." (Titley, 1986, p. 40)

Encouraging agricultural production. The Department reported an increase of acreage cropped by Indians of 4,585 acres, an increase of 24% in 1918 over 1917. In addition, 7,154 acres were broken in 1918 compared to 3,732 acres broken in 1917.

Table 6.1
Increase in Acreage Under Crop in Saskatchewan, by Agency,
1917-1918

Agency	Acreage Under Crop		Change (%)
	1917	1918	1917-1918
Qu'Appelle	2,351	2,957	25.8
Pelly	2,078	2,279	09.7
Assiniboine	955	1,198	25.4
Battleford	1,596	1,970	19.0
Carlton	1,460	2,395	64.0
Crooked Lakes	1,995	2,806	40.7
Touchwood Hills	2,279	3,039	33.3

Source: RG10, v. 4069, file 427,063.

Large numbers of cattle were sold and used for beef. In Saskatchewan, in 1918, 590 steers and 153 cows were sold for \$73,000. A further 376 animals were sold by greater production operations in the File Hills Agency for \$44,000.

Farming and grazing leases. Farming and grazing leases on Indian lands were issued to non-Indian farmers and ranchers as part of the greater production scheme. The 1918 departmental recapitulation showed that 15 grazing leases and five farming leases were issued with respect to Saskatchewan reserves. These are shown in Table 6.2. More than 30,000 acres of grazing lands and 2,624 acres of farming lands were leased. Most leases were for five years, beginning in 1918; two grazing leases at Cote were for one year. The grazing leases totalled \$6959.50 per year (plus additional revenues of \$0.25 to \$0.30 per acre for the leases at Little Bone and Ochapowace on an unspecified acreage.) The farming leases totalled \$4,456 per year.

Table 6.2
Farming and Grazing Leases on Saskatchewan Reserves, 1918

Reserve	Number of Leases		Acres	
	Grazing	Farming	Grazing	Farming
Cote	4	5	1,421	2,624
Saulteaux	1		9,080	
Sweet Grass	1		18,400	
Muscowpetung	1		640	
Little Bone	6		not specified	
Ochapowace	2		not specified	

Source: P.A.C., RG10, v. 4069, file 427,063

The decision on what lands were to be leased was made by the Indian agent. This was sometimes viewed by bands as a

further alienation of their lands. In 1920, after the war had ended, agent MacDonald invoked the War Measures provisions to lease five sections of hay lands of Poundmaker reserve as sheep pasture. The band members consulted a lawyer, and on his advice used band funds to fence the five sections so that the land would be in use. When MacDonald attempted to intimidate band members to prevent them from fencing the land, a delegation went directly to Commissioner Graham who admitted they were in the right. Then the band used the lands for their own stock, as well as leased grazing lands to neighbouring farmers (Goodwill and Sluman, p. 119-122).

Establishing and operating greater production farms.

Five greater farms were established, two in Alberta and three in Saskatchewan. In Saskatchewan, greater production farms were established on the Assiniboine, Crooked Lakes and Muscowpetung reserves.

Table 6.3
Greater Production Farms in Saskatchewan, 1918

Farm	Acreage	Operating Expenses
Crooked Lakes	3,500	\$13,056
Muscowpetung	3,500	\$22,832
Assiniboine	1,000	\$8,038

Source: P.A.C., RG10, v. 4069, file 427,063

The government passed an Order-in-Council under the War Measures Act in 1918 permitting the seizure of Indian lands for the greater production plan. An amendment to the Indian

Act was passed the same year. The amendment authorized Department expenditures for the greater production program; seizure of Indian lands for lease or production without Indian consent; and expenditure of Indian capital funds on the improvement of lands (See Appendix 2).

The program was discontinued in 1922, having paid back a \$362,000 advance and showing a net return of \$57,329 (Titley, 1986, p. 43). Titley suggested that:

there were also some permanent benefits. Much of the money invested had been spent on agricultural equipment, barns, fences and so forth, and these ultimately became the possessions of the Indians.

The extent of these permanent benefits may not have been great. Between 1919 and 1921, there were sizable expenditures on agricultural equipment, fencing and the like. In 1919, \$7,500 was spent on equipment in the Assiniboine, including \$5,070 for two tractors. In each of the Crooked Lake Agency and Qu'Appelle, two oil pull tractors were purchased for a total of \$16,540. In 1920, the Assiniboine, Crooked Lake and Qu'Appelle agencies reported a total of more than \$23,000 spent on farm machinery and implements (Auditor General, Annual Reports, 1918-1921).

These did not all become the property of Indians. Beginning in 1922, implements, and other assets acquired in the preceding years began to be sold off. In 1922, the sales were modest: \$2,931 in equipment and horses in Assiniboine agency; \$4,757.84 in motor cars, horses, machinery, and the

like in Qu'Appelle agency. In 1923, farm implements, equipment, twine, etc. sold by the Crooked Lake and Qu'Appelle agencies was \$11,800. The annual reports do not provide particulars on how many and which pieces of equipment were sold, or to whom they were sold. The sale of the equipment was part of the policy of winding up the activities of the greater production farms.

In correspondence to Graham, then Indian Commissioner and the official in charge of the Greater Production Scheme in western Canada, the Deputy Superintendent General called for discontinuing the leasing of agricultural lands, seeking the surrender of Indian lands under grazing leases, and to sell "the machinery which we have at the farms"... "as soon as possible after the conclusion of this year's operations."¹⁰¹

Moreover, even with the liquidation of machinery and equipment, the Saskatchewan Greater Production farms did not prove profitable on the whole. Expenditures under the Greater Production scheme, from 1918 to 1925 were reported under a separate account in the auditor's reports. The Greater Production scheme records include gross expenditures (net of deductions) and collections. The expenditures include those on specific farms, as well as expenses on Administration, Graham's house and similar expenditures. In the four Saskatchewan Greater Production farms - in the

Assiniboine, Crooked Lake, File Hills and Qu'Appelle agencies, some \$500,000 was spent between 1918 and 1925. Revenue from sale of farm products - livestock and grains - was about \$400,000. The \$100,000 net expenditure from Saskatchewan Greater Production farms was offset in part by deductions against the sale of farm equipment and work animals. These two items accounted for some \$30,000 over these eight years (AG Reports, 1918-1925).

A small amount of the expenditure was on the account of Indians. In 1919, payments to Indians of Carry-the-Kettle's bands on account of surrender and per capita payments to Indians of Cowesses band are recorded. Reserve residents were also hired as farm laborers, for example as stokers on the Assiniboine Greater Production farm in 1920.

Over the period 1918-1925, only the File Hills Greater Production farm showed positive net revenues. The Assiniboine, Crooked Lakes and Qu'Appelle Greater Production operations showed losses over the period of more than \$125,000 greatly overshadowing the small profit of the File Hills operations (see tables 6.4, 6.5 and 6.6).

During the period from 1921 to 1930, the reports of the Department on Indian economic conditions describe Indians as "self-supporting". Reports emphasise the success in prairie Indian agricultural efforts. By 1926, the Department reports that the situation in prairie agriculture was the best ever.

Table 6.4: Greater Production Scheme Expenditures,
Saskatchewan, by Agency, 1918-1925

Year	Agency				Total
	Assiniboine	Crooked Lake	File Hills	Qu'Appelle	
1918	281.85	187.9	27939.37	2500	30909.12
1919	20401.54	36669.96	7384.79	71752.92	136209.21
1920	19244.65	42217.29	250.79	63819.71	125532.44
1921	9426.26	22809.81	70.9	36240.21	68547.18
1922	66.55	17370.46	132.37	26462.77	44032.15
1923		11282.36		19148.02	30430.38
1924	11.15	58.75		18359.29	18429.19
1925		1.30		13625.88	13627.18

Table 6.5: Greater Production Scheme Collections
Saskatchewan, by Agency, 1918-1925

Year	Agency				Total
	Assiniboine	Crooked Lake	File Hills	Qu'Appelle	
1918					0
1919		393.6	41351.45	652.23	42397.28
1920	11808.24	32682.29	1940.52	83811.59	130242.64
1921	6962.16	25521.61	156.2	45230.81	77870.78
1922	4460.54	9039.11		23469.93	36969.58
1923		19858.5		24488.45	44346.95
1924		443.73		2613.62	3057.35
1925				13486.8	13486.8

Table 6.6: Net revenues of Greater Production Operations
Saskatchewan, by Agency, 1918-1925

Year	Assiniboine	Crooked Lake	File Hills	Qu'Appelle	Total
1918	-281.85	-187.9	-27939.37	-2500	-30909.12
1919	-20401.54	-36276.36	33966.66	-71100.69	-93811.93
1920	-7436.41	-9535	1689.73	19991.88	4710.2
1921	-2464.1	2711.8	85.3	8990.6	9323.6
1922	4393.99	-8331.35	-132.37	-2992.84	-7062.57
1923		8576.14		5340.43	13916.57
1924	-11.15	384.98		-15745.67	-15371.84
1925		-1.3		-139.08	-140.38
Total	-26201.06	-42658.99	7669.95	-58155.37	-119345.47

Source: Annual Reports, Auditor General.

The Department reported few initiatives in the economic field during this period:

To sum up, the agricultural situation it may be said that the Indians are better equipped with buildings, implements and machinery and better supplied with cattle and horses than they have ever been before. They are also better supervised in their work on the farms and the prospect generally is very encouraging (AR, 1926, p. 11).

The Department reported in 1927, that while the Indians purchased thousands of dollars worth of horses and implements, that these were purchased with "the Indians' own money". In agriculture, Indian commercial efforts focused on two main products: grains and cattle. The cattle made reserves raising them self-sufficient in meat requirements. Sale of cattle also provided a source of incomes when grain crops were disappointing, or as was common after 1928, failed altogether.

6.2.3 Initiatives in the 1922-1930 period. Two government initiatives stand out during this period: the replacement of the housing stock, and efforts to manage trapping resources. Two thousand new reserve dwellings were constructed in the three prairie provinces between 1928 and 1930 (AR, 1930, p. x). After 1926, the Department paid increasing attention to fur conservation programs in order to conserve a diminishing fur-bearer population. Measures were emphasized in the north, but were also in evidence in the southern part of the province. The 1938 annual report

mentioned beaver respeciation programs in Onion Lake and Pelly agencies, which were later extended to other agencies.

By 1931, it was reported that Indians were suffering from the combination of poor agricultural conditions and commercial depression. But that report also suggested that their condition was better than that of the neighbouring non-Native population.

...as was inevitable, the Indians, in common with other members of the community, are suffering from the present depression with its attendant unemployment and low prices for agricultural and other products. On the whole, however, it may be said that the change for the worse in their economic position is relatively less marked than among the white population as they live for the most part on reserve in isolated communities and are free from taxation. In the majority of cases, moreover, Indians own their habitations free from encumbrances and do not pay rent. Education and medical attendance are provided for them by the government. Thus their absolutely necessary expenses are practically reduced to food and clothing (AR, 1931, p. 7).

However, it was not long before the condition of Indians became worse than that of the general population, largely in consequence of the disastrous agricultural situation. As a result, Indians began to abandon farming in large numbers, as they became discouraged by successive crop failures.

...it is regrettable, but perhaps inevitable, that a further decrease in both yield and acreage must be recorded in connection with Indian farming operations during 1934-35. The very unsatisfactory results obtained in 1933-34 may be held responsible for the fact that during the past year there were 408 fewer Indians engaged in raising crops. Necessarily these have sown a smaller acreage and reaped a lower yield (AR, 1935, p. 13).

In Saskatchewan, in particular, yields were reported below average. Livestock herds had also begun to decline.

In 1936, the Department announced its first depression measures. These are contained in a report on the administrative activities of a newly formed branch of the Department, the Trust Funds, Annuity and Relief Branch. In Saskatchewan, it was reported, crop failure necessitated "more than the usual assistance." The ravages of depression were noted (AR, 1937):

The Indians of Canada have suffered acutely in recent years: unemployment, drought in agricultural areas and inadequate returns from steadily diminishing fur and game resources have contributed to the demoralization and disintegration of their economic and social life. It is estimated that during the year, one-third of the Indian population was dependent, in whole or part, on relief allowances. (p. 194)

In the next year, the Department was reorganized as a branch of the Department of Mines and Surveys; in the reorganization a division was created for "welfare and training." This encompassed education and

Indian industrial assistance and advancement, including employment projects, agricultural and livestock activities, furthers development of marketing of handicraft, renders assistance to ex-pupils of residential schools, and generally supervises the social welfare of the Indians (AR, 1937, p. 189).

In addition to relief expenditures, the government established a special program to re-establish Indians in agriculture. The state of Indian farming had deteriorated during the depression.

The Indians of Saskatchewan in recent years have found existence very difficult and this has had the effect of forcing them to turn to other means of support. During the period of depression and drought the Indians did not have funds to supply themselves with suitable horses and implements. However, measures have been taken in the past three years to meet the situation (AR, 1939, p.224).

Those measures included providing funds for horses, implements and machinery in agricultural enterprises (AR, 1938).

That program was expanded in 1939 with the creation a revolving loan fund, limited to \$100,000 per year in aggregate loans. The program would provide loans of up to \$5,000, repayable over five years, for bands or groups of Indians to purchase machinery, livestock, etc. Although the revolving loan fund was not taken up on the scale the government had hoped (AR, 1940, p.184), tractors were purchased for some prairie Indian farms. In Saskatchewan, revolving loan fund advances totalled \$29,748 over the years 1938-39 to 1945-46; nearly two-thirds of that was advanced in the single year 1939-1940 (AR, 1939-1946).

The terms of the revolving loan fund indicated another thrust of the government's Indian economic policy in this period - that of community farms. These were encouraged as an alternative to the individual farm organizations which had been built up over the previous 60 years on reserves.

Community farms and gardens have played a large role in this achievement, showing the Indians the value of co-operative effort. For the season of 1939, nine new tractors, as well as horses and implements, were provided from appropriation and from band funds. In the spring of

that year, seventeen community farms comprising some 2,900 acres were in operation in Saskatchewan. (AR, 1940, p.184)

6.3 Government expenditure: 1896-1932.

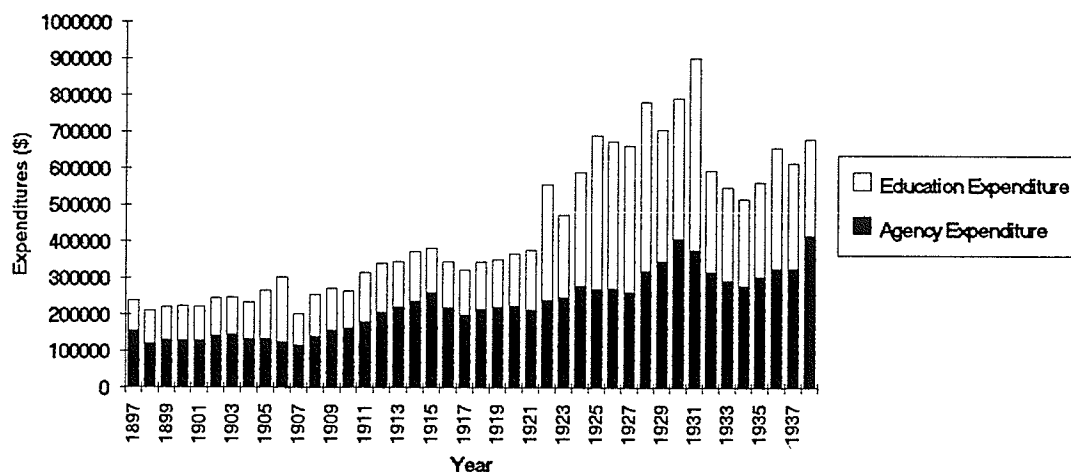
Government expenditure patterns over this period reflected two related phenomena: economic conditions in the Canadian and global economy, and conditions specific to Indians. Expenditures by the Department of Indian Affairs are reported under several different headings, reflecting the different appropriation votes by Parliament. The headings included agency expenditures, expenditure on education, expenditures under the Greater Production scheme, expenditures on annuities, and expenditures on providing working outfits for Indian school graduates are the major expenditures in Saskatchewan. Taken together, agency and education expenditures made up the preponderance of department expenditures.

Agency expenditures included the general expenses of administration of the agency, costs implements and tools, field and garden seed, livestock, relief supplies for the destitute, medical services, and small items such as triennial clothing issued under treaty, expenditures for grist mills. Annuities paid under treaty were reported under a separate vote. They have been included here as part of agency expenditure.

Expenditures on education included expenditures on day schools, residential schools and industrial schools. Prior

to 1910, expenditures on day schools were reported on an agency basis, while expenditures on industrial schools were reported under separate appropriation votes. Data on day school expenditures has been removed from the agency expenditure reports and moved into the education spending area. After 1910, medical expenditures began to be reported separately. These were part of "other agency expenditures" (figure 6.10.2). There remain several small items of expenditure which are not included in the agency data, including the budgets of the offices of the Inspectorates and the Regina office of the Commissioner.

Figure 6.10.1: Education and Other Agency Expenditures in Saskatchewan Indian Agencies, 1897-1938

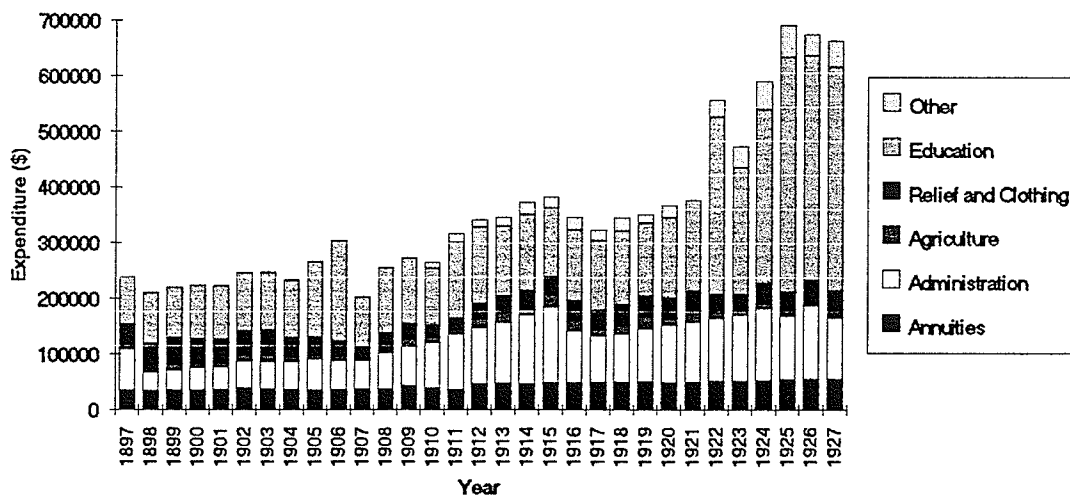


Source: Auditor General Annual Reports

Figure 6.10.1 shows total expenditures by Saskatchewan Indian agencies and total education expenditures in

Saskatchewan Indian day, industrial and residential schools from 1897 to 1938. Expenditures ranged between \$238,000 and \$267,000 from 1897 to 1910, with the exception of 1905. In 1905, education expenditures were particularly high because of investment in new industrial school facilities. From 1911 to 1921, expenditures ranged between \$315,000 to \$382,000. From 1921 to 1931, expenditures showed a rising trend, moving from \$556,000 in 1921 to more than \$900,000 in 1931. Expenditures then fell through 1935, and subsequently stabilized at around \$650,000 per year.

Figure 6.10.2 Expenditures in Saskatchewan Indian Agencies, by Type, 1897-1927

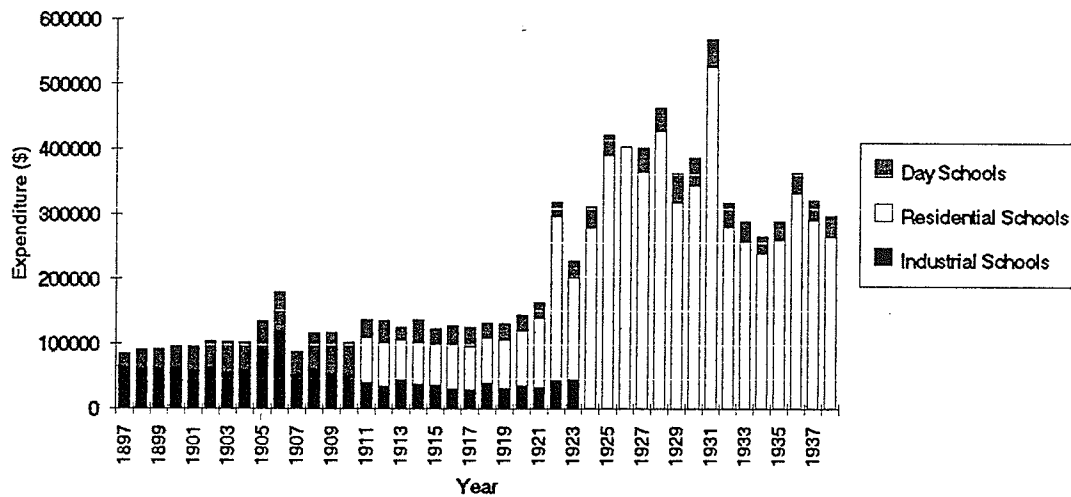


Source: Annual Reports, Auditor General

Figure 6.10.2 shows agency expenditures by major type. Annuities rise at a slow rate, reflecting gradual population increase. General administration expenditures rose steadily

after 1897, and were a major factor accounting for a higher plateau of spending in the 1911 to 1921 decade as compared to the previous period, 1898 to 1910. Education expenditures were the most significant factor accounting for rising total expenditures in the 1921 to 1931 decade.

Figure 6.11: Education Expenditures in Saskatchewan Indian Agencies, 1897-1938



Source: Annual Reports, Auditor General

Education expenditures in Saskatchewan were relative stable between 1897 and 1910 (Figure 6.11). The sharp rise in 1905 and 1906 were associated with capital expenditures on industrial schools. Two types of school expenditures were reported in the pre-1910 period: day and industrial school expenditures. Day schools were situated on reserves; students went to school during the day and returned to their family homes at night. Day schools made up a growing share

of education expenditures (except for the construction bubble period of 1905-1906). By 1910 more was spent on day schools than on industrial schools.

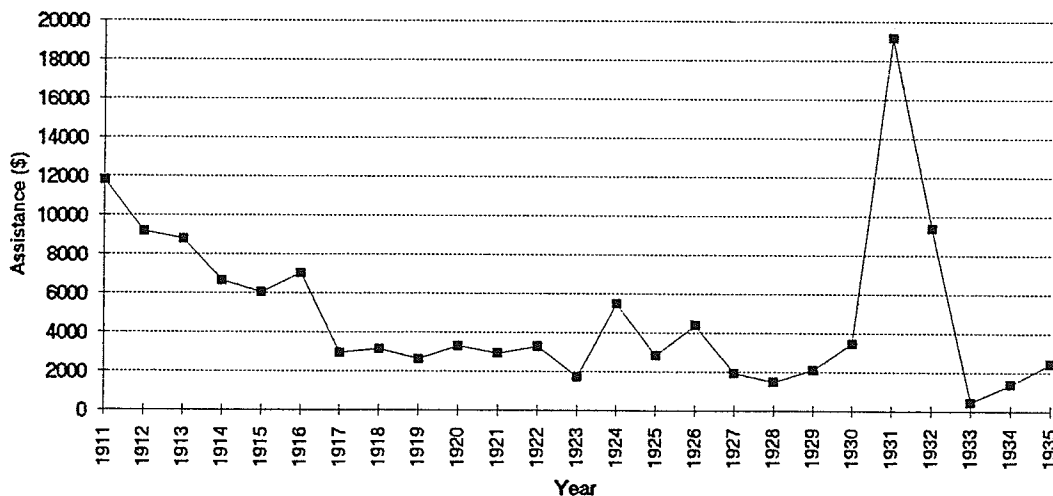
In 1896, there were three Indian industrial schools in Saskatchewan: Battleford, Qu'Appelle and Regina. These were viewed by the government as training institutions. Because students were resident in the schools, it was also hoped that these schools would be able to 'civilize' Indian youth by insulating them from parental influence. The Regina school was closed in 1911 and the Battleford school after 1916.

From 1911, spending on day schools was reduced substantially. Industrial schools were phased out between 1911 and 1924. The boarding or residential school system was introduced. In 1911, 13 such schools were opened in Saskatchewan. These residential schools, like their industrial school predecessors, required students to live away from home and parental influences. They were typically run by religious orders.

The industrial and residential schools were viewed as training grounds for reserve agricultural development. The Department issued 'working outfits' to industrial school graduates so that they could take up agricultural pursuits. Assistance to Indian school graduates was reported in Auditor General Reports as a separate accounting entry from

1911. From 1911 to 1917, this assistance fell from \$12,000 per year to \$3,000 per year (figure 6.12). Assistance fluctuated from approximately \$2,000 to \$4,000 per year between 1917 and 1930. With the onset of the depression, there was a significant increase in these contributions in 1931 and 1932, and thereafter they fell to lower levels, reflecting the difficult straits of prairie agriculture. These agricultural outfits capitalized agricultural operations by these school graduates. Most expenditures under this program were in Saskatchewan.

Figure 6.12 Assistance to Indian School Graduates, 1911-1935

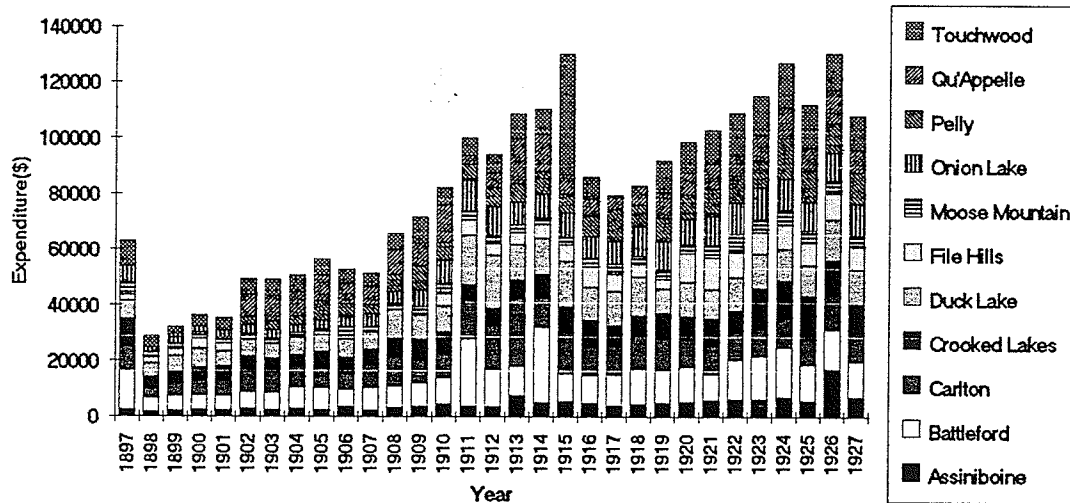


Source: Annual Reports, Auditor General

The general expenses of administration in Saskatchewan Indian agencies rose fairly steadily from 1898 to 1915, from \$33,000 to \$137,000. After a sharp curtailment of

expenditures in 1916 and 1917, expenditures rose during the 1920, reaching the 1915 level again by 1926 (Figure 6.13).

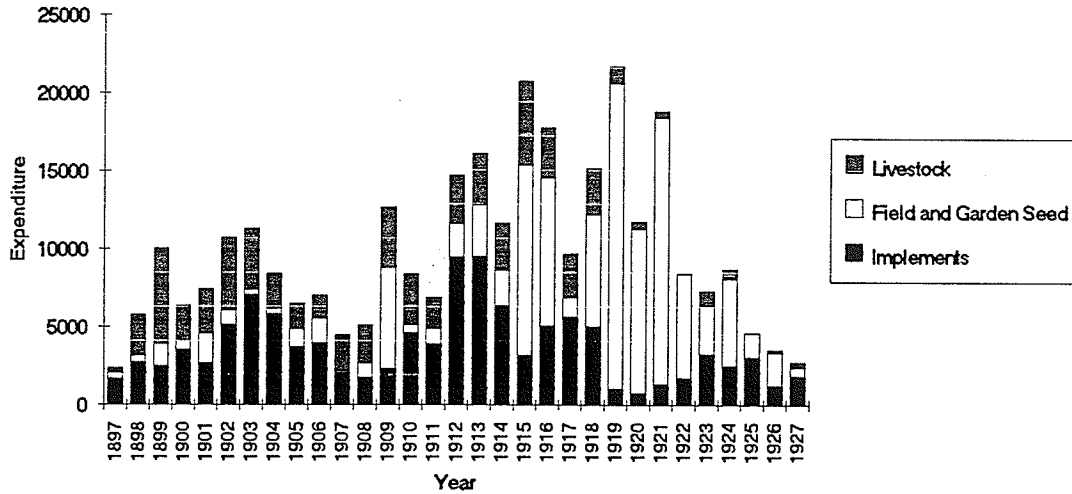
Figure 6.13: General Administration Expenditures, by Agency, 1897-1927



Source: Annual Reports, Auditor General

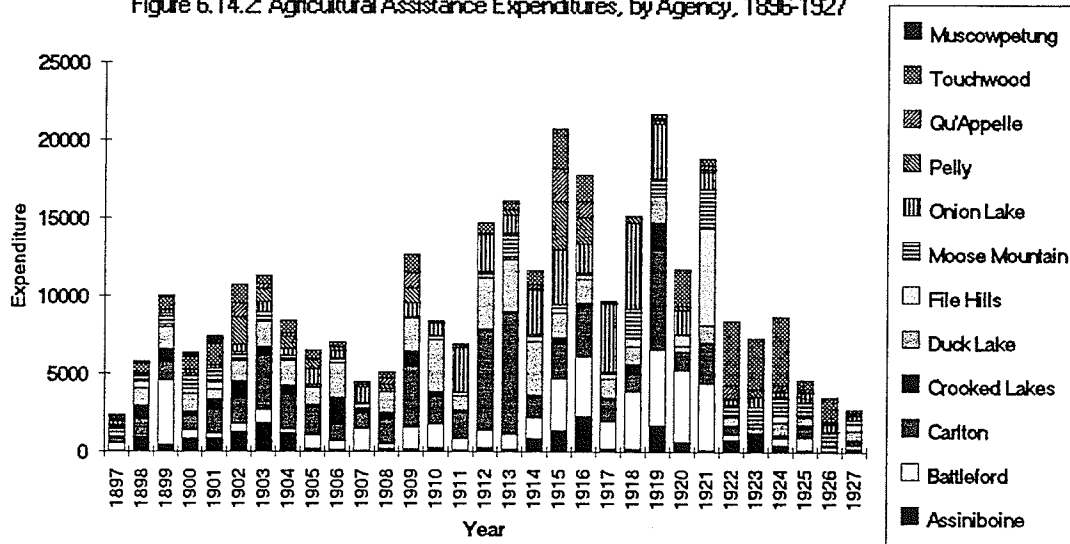
These general expenses included salaries of agency staff, including the Indian agent, clerk and assistant clerks, farmers laborers and others; rations for employees; travelling expenses of staff; construction and maintenance of agency buildings, such as farm houses and offices; and such infrastructure expenditures as the construction of telephone lines from agency offices to nearby towns. A variety of miscellaneous expenditures were also counted among these general expenses of administration, including equipment maintenance, feed and care of agency work animals, wood purchases, and freight and express costs.

Figure 6.14.1: Agricultural Assistance Expenditures by Type, 1897-1927



Source: Annual Reports, Auditor General. Excludes Isle a la Crosse

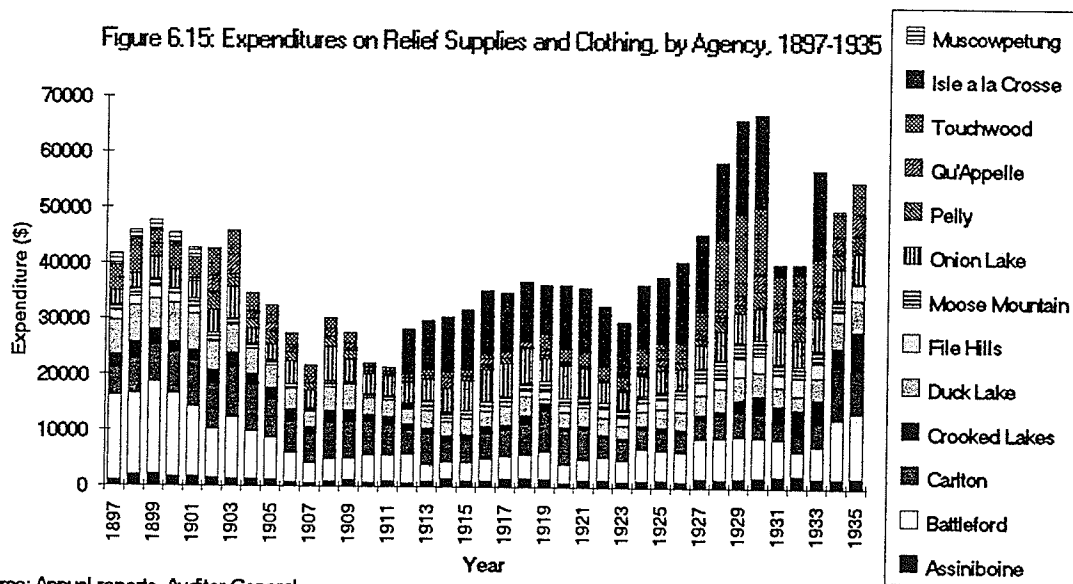
Figure 6.14.2: Agricultural Assistance Expenditures, by Agency, 1896-1927



Source: Annual Reports, Auditor General

Agricultural assistance expenditures made up a small fraction of total agency and education expenditures, not exceeding six percent of the total during this period (figures 6.14.1 and 16.4.2).

During most years from 1897 to 1914, implements and livestock made up the preponderance of agricultural assistance expenditures, with field and garden seed being only a small part of assistance. After 1915, total expenditures grew mainly as a result of issue of field and garden seed in an effort to expand acreage under crop in support of the war effort. After 1921, those contributions declined, and total agricultural assistance fell to pre-war levels.



Expenditures on relief supplies and clothing fell from 1903 through 1912. From \$40,000-\$48,000 per year between 1897 and 1903, expenditures (excluding Ile a la Crosse) fell to \$20,000 in 1912. These expenditures fluctuated between

\$20,000 and \$30,000 from 1912 to 1923, and then climbed steadily from 1924 to 1930 (figure 6.15).

6.4 Summary Indian reserve economic development in Saskatchewan during the first four decades of the twentieth century was conditioned by national and international economic conditions and by government policies. Indian reserve agriculture was carried out in the framework of the national and world economy, into which the prairie wheat economy had become fully integrated by about 1913, moving through cycles of expansion and contraction.

Government Indian policy was active through the war period, focusing on soldier settlement and the greater production scheme. In the 1920s and early 1930s, the policy was one of relative neglect which reflected the government's evaluation of Indian economic conditions as relatively prosperous. Soldier settlement was little used in Saskatchewan, as compared to Ontario. The greater production scheme, designed to encourage increased crop production for the war effort, yielded few long-term benefits to Indian reserve economic development. For the six reserves on which farming and grazing leases were granted, a total \$4,500 in revenue was each collected each year, usually for five years. Greater production scheme operations in Saskatchewan realized net losses over the lifetime of the program, and there were small long-term benefits in terms of machinery

and equipment since the Department sold off a substantial part of those assets. From the 1921 to 1930, Department reports characterized Indian agriculture as being in no need of support; major initiatives of the department during this period were limited to replacement of the housing stock on reserves and efforts to manage a dwindling fur resource. Only after the mid-1930s did the government address deteriorating agricultural conditions on reserves with increased relief efforts and a revolving loan fund for purchase of machinery and livestock by Indian farmers.

Agricultural assistance expenditures were small throughout the period, at between a quarter and a third of expenditures on relief supplies and clothing. To 1914, most agricultural assistance took the form of implements; from 1915 through 1922, field and garden seed predominated, reflecting the emphasis on war production. After 1918, provision of implements had become negligible, lower than in the previous two decades. Government expenditures were at a higher level in 1911-1921 as compared to the previous decade due to higher administration expenditures; from 1921-1930 rising expenditures were due to increased expenditures on education.

CHAPTER 7

1896-1930s: INDIAN RESERVE ECONOMIC DEVELOPMENT

7.1 Indian population. The Indian population of Saskatchewan was reported annually to 1917, then in 1924 and thereafter in the census every five years. Population figures were reported for each reserve; reserves were grouped into agencies; agencies into inspectorates. Inspectorates were only approximately co-terminus with provinces.

From 1896 through 1905, most agencies in present-day Saskatchewan were listed under the Northwest Territories. From 1906 on, the Saskatchewan Inspectorate included most of the agencies which are within present-day Saskatchewan. Three reserves in North East Saskatchewan - Shoal Lake, Red Earth, and Cumberland - were reported as part of The Pas agency in Manitoba. In the Pelly agency, in eastern Saskatchewan, Valley River (from 1905-1908) and Fishing Lake (in 1906) reserves which were in Manitoba were reported as part of the Pelly agency. Pelican Narrows was reported as part of the Carlton agency in some years (1898-1903) but not in others. In some years, the "Moose Jaw Sioux" were included as part of the Assiniboine agency (1902-1908); in the other years, they were counted separately as part of the

non-treaty Sioux population. From 1911 to 1917, and in the census years 1924, 1929 and 1934, the Department reported the population within the province (rather than on the inspectorate basis), providing a comparable statistic for those years.

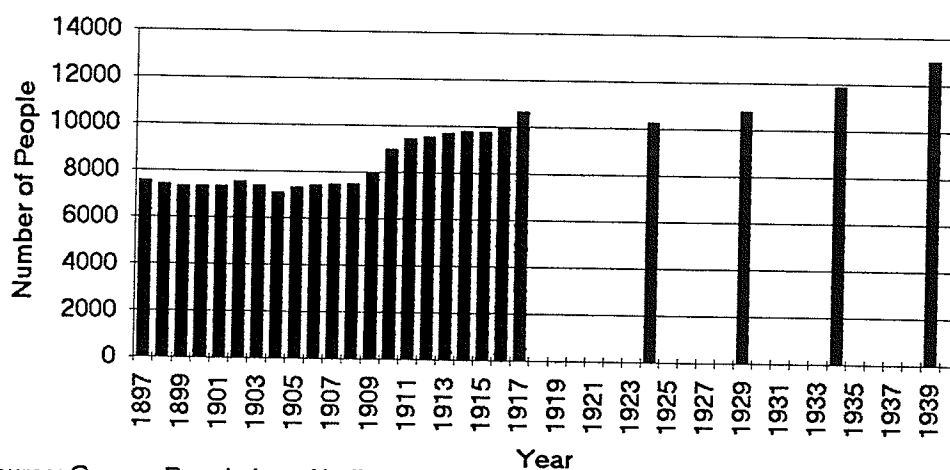
The Department displayed the most inconsistency in its reporting of Northern agencies, including Athabaskan bands, Lac La Ronge band, Montreal Lake band, and bands in "Ile a la Crosse" District, in northwestern Saskatchewan. Sometimes these appeared in Carlton District, sometimes in Ile a la Crosse District, and sometimes in the Northwest Territories.

Other issues make it difficult to get a clear picture of the Indian population of Saskatchewan. One issue was the transfer of the Indian population from one reserve to another. For example, the surrenders in the Moose Mountain agency led to the amalgamation of the White Bear, Pheasant Rump and Striped Blanket (a.k.a. Ocean Man) bands after 1902. In 1903, 154 Indians were transferred from the Key band in Saskatchewan to Shoal Lake band in Manitoba, thereby influencing the population statistics for Pelly agency. In 1910, two reserves in the Onion Lake agency were not reported as part of the Onion Lake agency in the Saskatchewan Inspectorate, but as part of the Indian population in Alberta. Since the Indian population is a legal rather a natural categorization of the population,

population changes are due to changing Indian status as a result of marriages and enfranchisements, as well as to births, deaths and migration.

Adjusting for such discrepancies in reporting, so that the Indian population is reported on the same basis, the Indian population showed a tiny increase of 130 between 1897 and 1908. Between 1908 and 1917, and again from 1924 to 1934, the Indian census population in Saskatchewan grew by an average of 1.5 percent per year. A decline in the census population was reported 1924 as compared to 1917 (See figure 7.1).

Figure 7.1: Indian population of Saskatchewan, 1897-1939

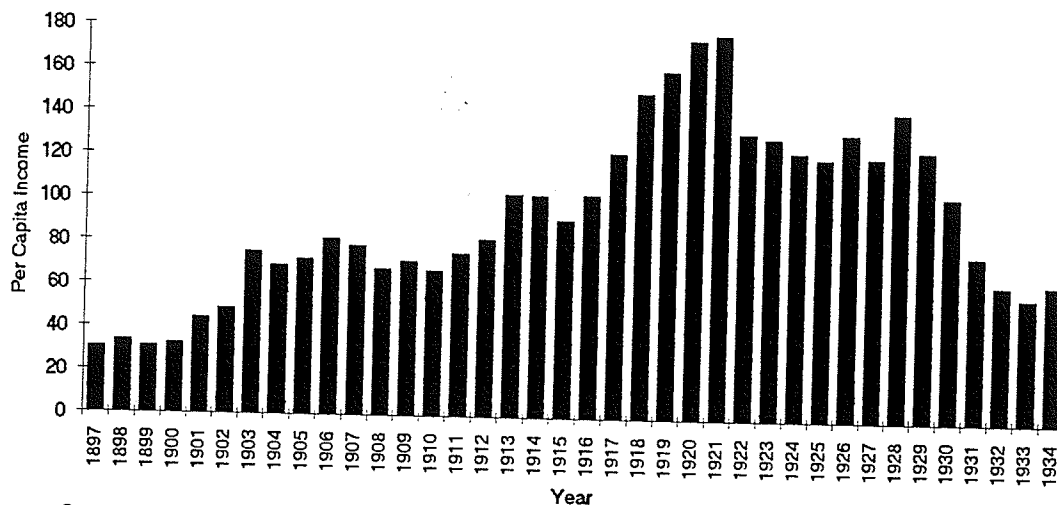


Source: Census Population of Indians, Annual Reports, Department of Indian Affairs

7.2 Indian incomes From 1896 through 1934, the Department reported the incomes of Indians by Indian agency. Population figures were reported on a comparable basis,

making possible a comparison of per capita incomes of Indians by agency over this period.

Figure 7.2.1: Per capita income, Indians of Saskatchewan, 1897-1934



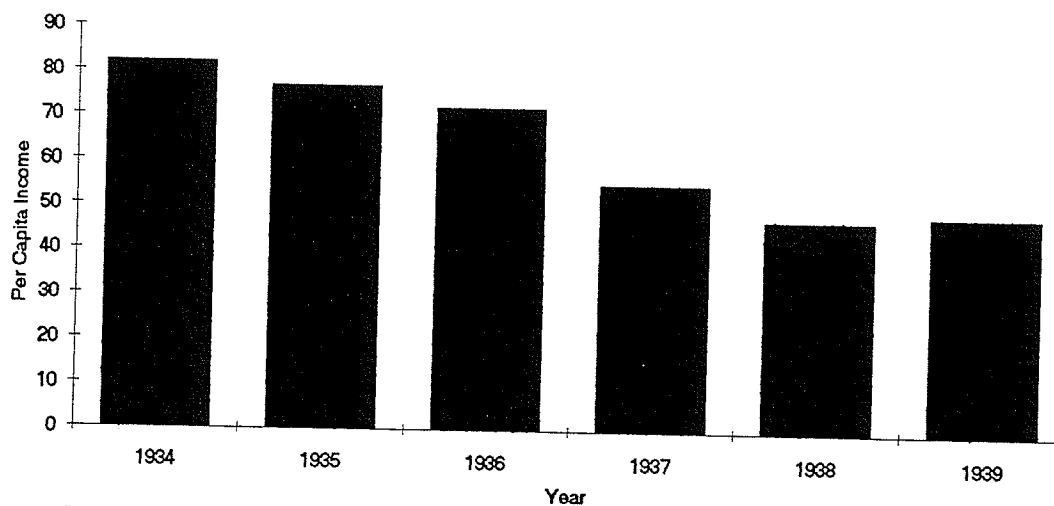
Source: Annual Reports, Department of Indian Affairs. Excludes Ile a la Crosse District

Figure 7.2.1 shows per capita income of Indians of Saskatchewan from 1896 to 1934. Population figures for inter-censal years (1918-1923, 1925-1928, and 1930-1933) were estimated by assuming a constant annual rate of change of population in each inter-censal period. Per capita income rose eightfold over the quarter century from 1897 to 1921. There was a steep drop in 1922. Income remained nearly constant through 1927, rose in 1928 and then fell steadily through 1933.

Data for Ile a la Crosse was eliminated for the period 1896-1933. Reported income data for Ile a la Crosse is

scanty; only the value of annuities and interest were reported through the mid-1920s; the district population was reportedly about 2,000. Inclusion of the data would depress per capita income for those years. From 1929 on, reported income for Ile a la Crosse was higher, primarily due to a higher reported value of income earned by hunting and trapping. That would have skewed the data in the other direction.

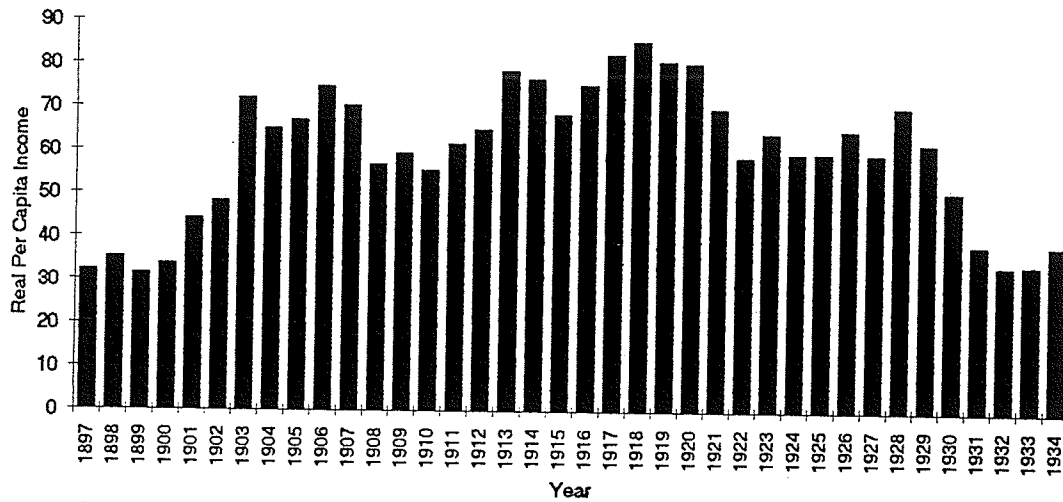
Figure 7.2.2 Per capita income, Indians of Saskatchewan, 1934-1939



Source: Annual Reports, Department of Indian Affairs. Includes Ile a la Crosse.

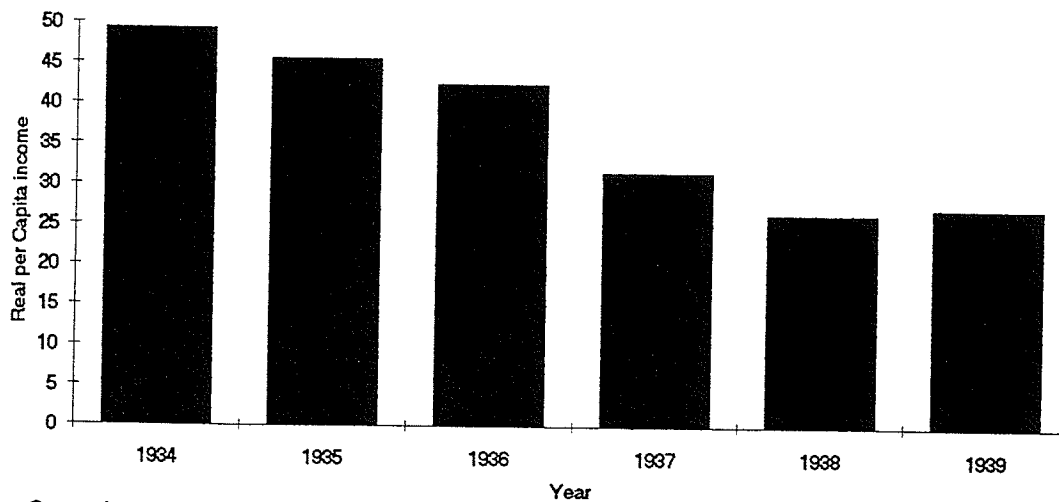
Per capita income fell steadily from 1934 through 1938 (See figure 7.2.2. Ile a la Crosse is included in the data. Data on incomes was reported for the province of Saskatchewan; agency breakdowns of incomes were not reported in the 1935 to 1939 annual reports.)

Figure 7.3.1: Real per capita incomes, Indians of Saskatchewan, 1897-1934 (1900=100)



Source: Annual Reports, Department of Indian Affairs. Green and Urquhart. Urquhart and Buckley.

Figure 7.3.2: Real per capita income, Indians of Saskatchewan, 1934-1939 (1900=100)



Source: Annual Reports, Department of Indian Affairs. Green and Urquhart. Urquhart and Buckley. Includes Ile a la Crosse.

Figure 7.3.1 show real per capita incomes. Price deflation does not change the direction of income movements;

the main effect is to reduce the range of variation in incomes, particularly during the years of war time inflation. Figure 7.3.2 shows real per capita incomes in the 1934-1939 period.

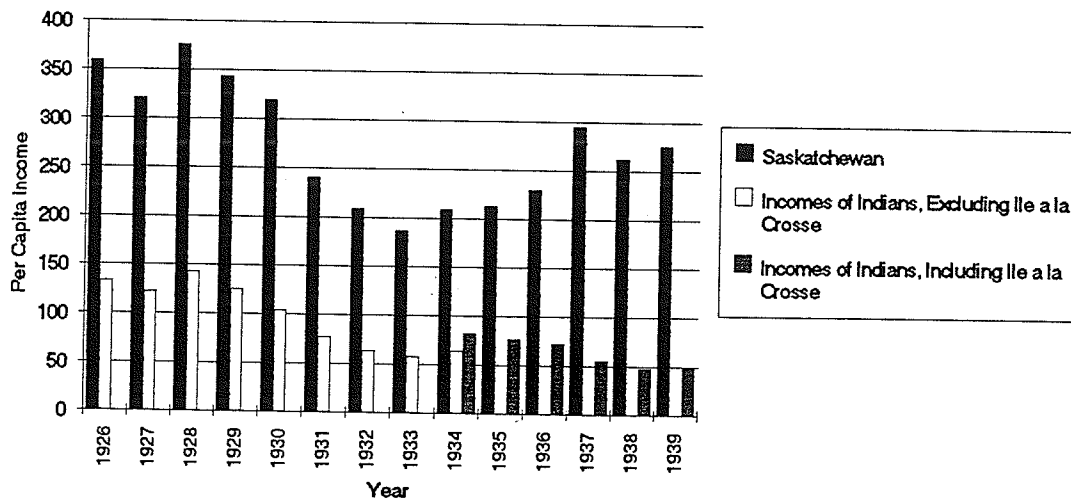
A comparison of real per capita incomes of Indians of Saskatchewan (figure 7.3.1) and real per capita GNP (all Canada) (figure 6.3) shows that the two series moved in tandem through from 1897 to 1922. After 1922, real per capita GNP rose, surpassing the war time peak by 1927. But Indian incomes did not recover to their prewar level. While real per capita GNP bottomed out in 1933, incomes of Indians in Saskatchewan continued to fall after 1934. Freisen (1987, pp.384-400) suggests that declining incomes throughout the 1930s were characteristic of Saskatchewan (unlike the rest of Canada), as world markets and crop conditions remained poor. Nonetheless, per capita personal disposable income in Saskatchewan did register increases from 1934 through 1937, while Indian per capita incomes continued to fall (See figure 7.4).

Making reasonably accurate comparisons between the levels of per capita incomes of Indians and other Canadians is not possible with the data at hand. First, per capita GNP includes government expenditure and investment expenditure as well as consumer expenditure. Government expenditures on education, medical care, agricultural assistance, relief,

etc. nearly equalled the reported earnings of Indians in most years.

Second, other Canadians faced expenditures which Indians did not normally face, such as housing, land mortgage or lease costs and medical expenditures. As well, the record of earnings or incomes of Indians, even if agents' reports were accurate and complete (which they likely were not), included certain non-marketed income - estimated value of cattle slaughtered and products of hunting and fishing activities for own consumption. Other non-marketed activity, not reported in earnings, would have included barter exchange between Indians and neighbouring non-Indian farmers. During the 1930s, there was increased barter exchange, as the neighbouring non-Indian farmers lacked the money resources to make cash purchases from Indians. For example, Alphonse Little Poplar related how, in the dry years around 1934, there was crying need for hay, "but the whiteman didn't have any money. Back in those days, in the thirties, the whitemen had to find something to trade the Indian for hay or wood. They had no money either. We were in the same boat." He added that "In the wintertime we made not too bad a living" from the sale of firewood. He reported that white people would trade "pork for wood, beef for wood, flour for wood, chickens for wood and some of them even paid money occasionally" (Doyle, 1988, p.80).

Chart 7.4: Per capita incomes, Indians and all Saskatchewan, 1926-1939



Source: Annual Reports, Department of Indian Affairs; Urquhart and Buckely (1965) and Saskatchewan Bureau of Statistics

Keeping these caveats in mind, data on per capita personal disposable incomes in Saskatchewan which is available from 1926 can be compared to per capita incomes of Indians. The data indicates a marked deterioration of the relative position of Indians vis a vis the population as a whole in the late 1930s (See figure 7.4). Per capita incomes of Indians of Saskatchewan were about a third of per capita personal disposable incomes in Saskatchewan to 1929. But during the depression years, Indian per capita incomes fell to about one-fifth of Saskatchewan per capita disposable income. As Saskatchewan disposable income rose after 1933, incomes of Indians continued to fall.

There is also impressionistic evidence from both agency reports and Indian sources about the movements and relative

magnitudes of Indian incomes. This portrays a standard of living on reserve somewhat comparable to that of neighbouring farmers. The years from the turn of the century to the end of the First World War saw a secular rise in per capita income overlaid on cyclical movements of the Canadian economy. The rise in real per capita incomes was smaller, and peaked earlier (in 1918 rather than 1921).

The annual reports of the Department waxed enthusiastic over the improving economic circumstances. In 1917, for example, the Deputy superintendent-General reported that

"The agricultural and stock-raising industries among these Indians [of the prairie provinces] have met with such a measure of success that rationing is now practically a thing of the past..." (AR, 1917, p.11).

By the early 1920s, the Department was reporting that the Indians of the prairie provinces were "self-supporting". Such reports were repeated, supported by statistical and anecdotal evidence, to the late 1920s. These general reports of prosperity were tempered by reports on specific regions experiencing poor crops or specific industries, such as trapping, experiencing poor harvest conditions and/or market prices.

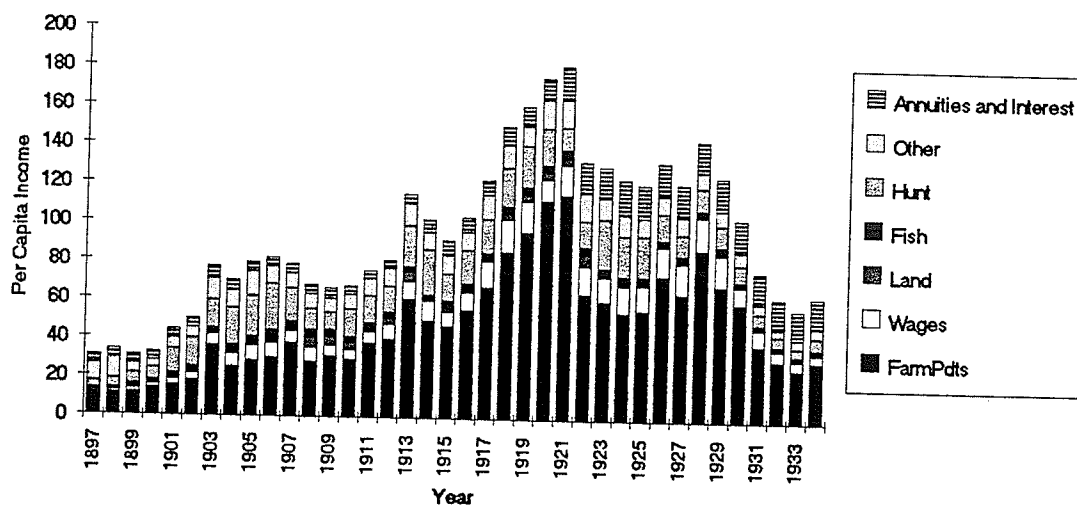
In the first years of the great depression decade, the Department suggested that Indians in Saskatchewan did not face problems as severe as on neighbouring white settlements (AR, 1930). Although the depression brought a "change for the worse", the Deputy Superintendent-General suggested that

the change was "relatively less marked than among the white population" (AR, 1931, p. 7). By 1934, the Department acknowledged the plight of the farming Indians, and in 1936 relief efforts were noted. The circumstances of Indians and measures taken by the government were discussed in the Chapter 6.

7.3 Indian economic activities.

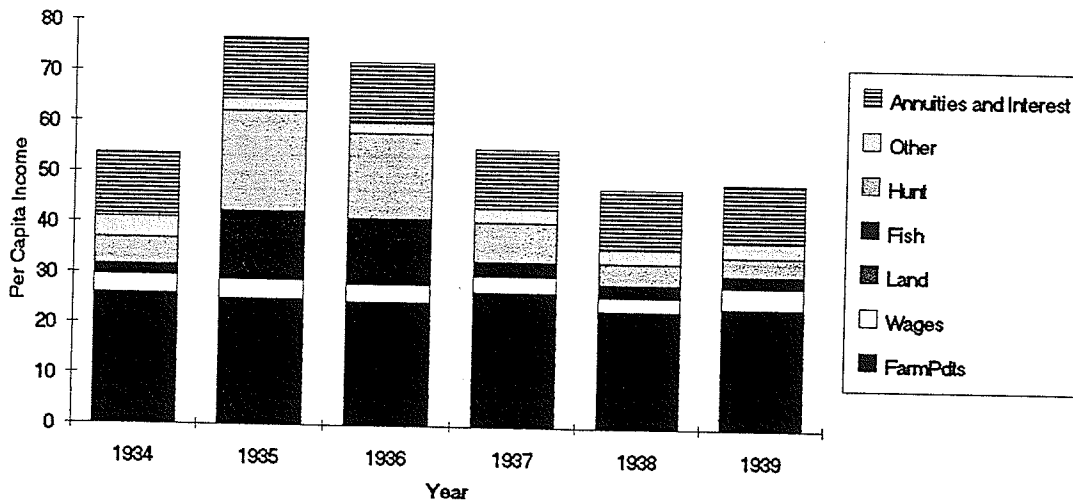
Figures 7.5.1 and 7.5.2 show per capita incomes, by source, of Indians in Saskatchewan from 1897-1934 and 1934-1939 respectively. The single most significant source of income was farm products, which included both livestock and crop production including hay. From 1896 to 1910, agriculture grew steadily as a share of total income. From 1910 to 1930, farm products normally accounted for half or more of per capita income.

Figure 7.5.1: Per capita income, by source, Indians of Saskatchewan, 1897-1934



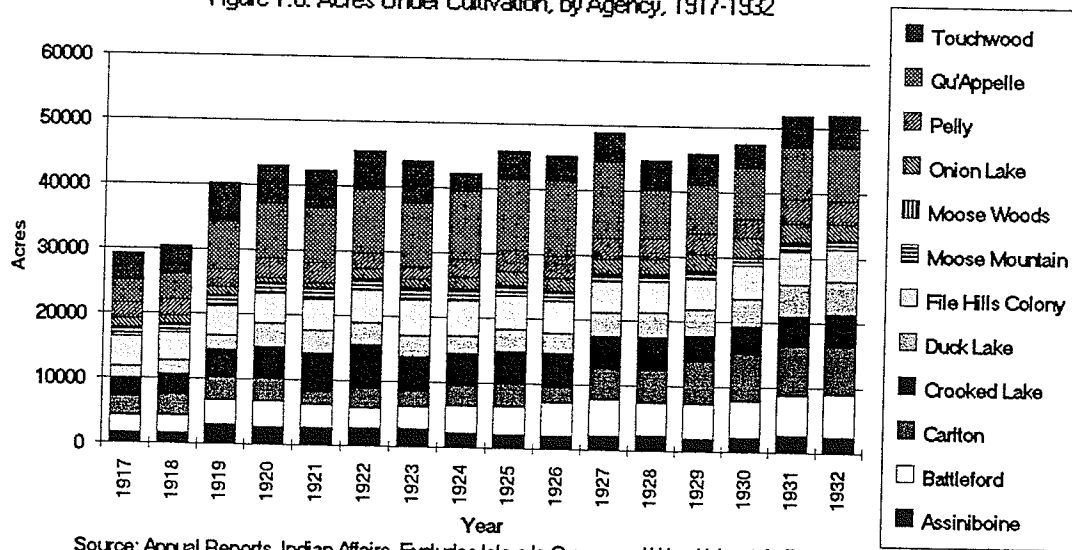
Source: Annual Reports, Department of Indian Affairs. Excludes Ile a la Crosse

Figure 7.5.2 Per Capita Income by Source, Indians of Saskatchewan, 1934-1939



Source: Annual Reports, Department of Indian Affairs. Includes Ile a la Crosse

Figure 7.6: Acres Under Cultivation, by Agency, 1917-1932



Source: Annual Reports, Indian Affairs. Excludes Isle a la Crosse and Wood Mountain Reserve

Acres under cultivation on reserves increased from less than 30,000 in 1917, to 40,000 in 1919, rising to more than 50,000 in 1931 (figure 7.6). Acres sown to wheat more than doubled, from just over 8,000 acres in 1917 to more than

18,000 in 1933. But the depression took its toll after 1933; acres sown to wheat fell by a third between 1933 and 1936 (figure 7.7).

Figure 7.7: Acres Sown to Wheat, by Agency, 1917-1936

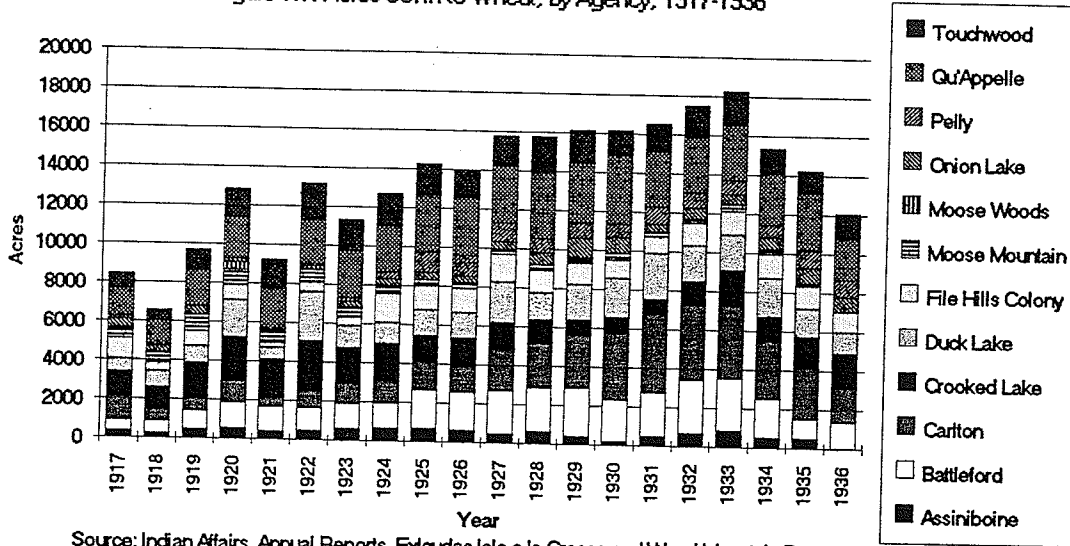


Figure 7.8.1: Farm gate value of wheat production, by Agency, 1917-1936

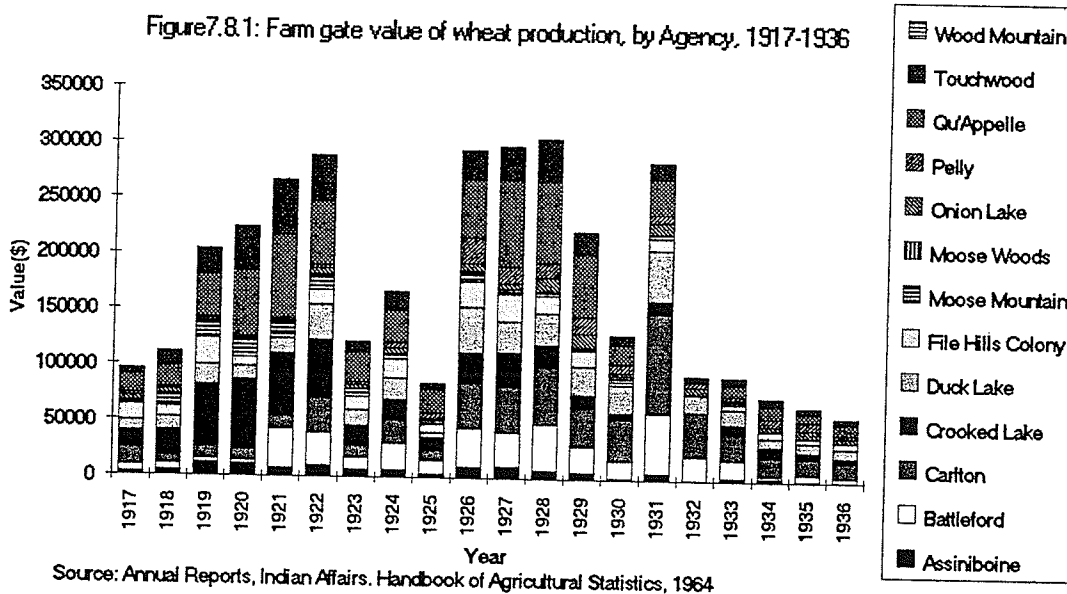
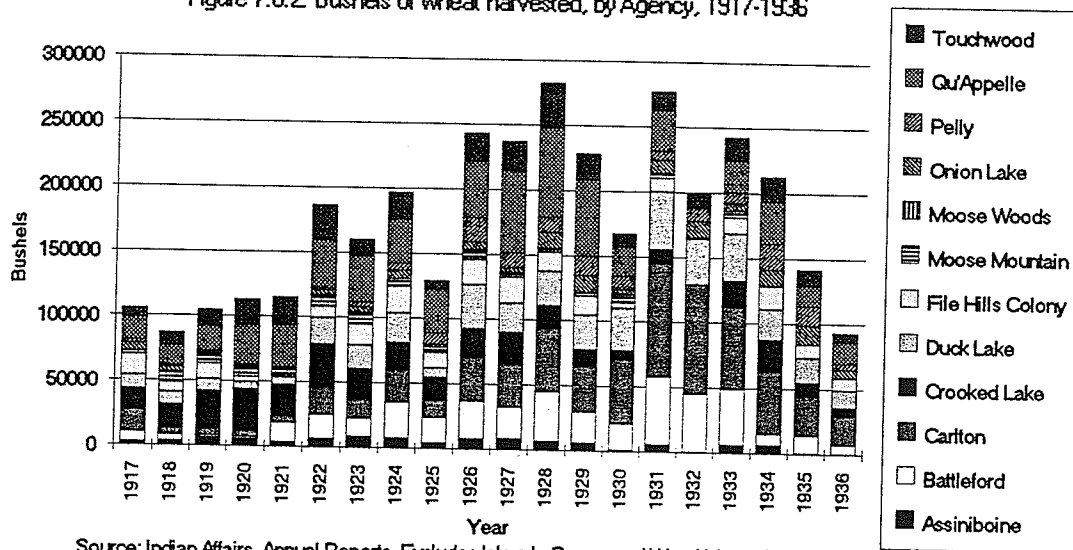
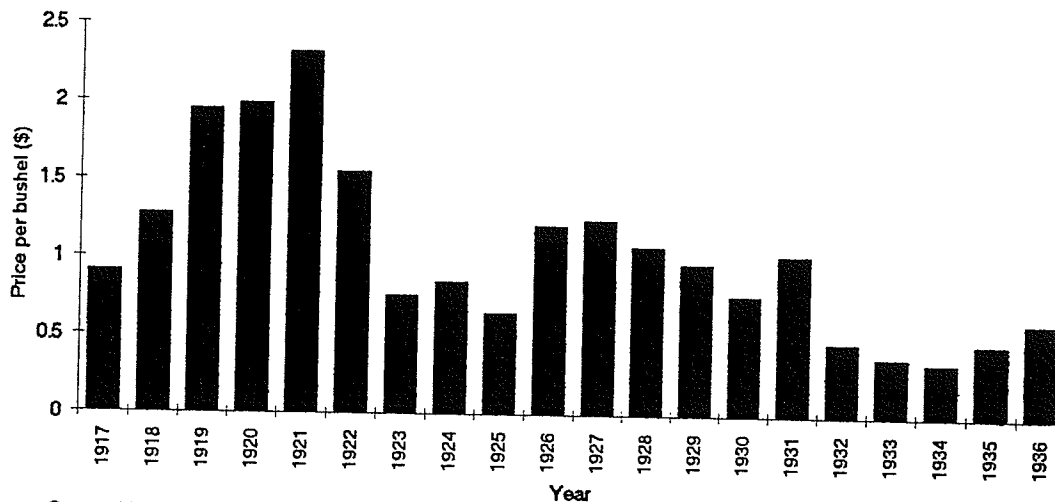


Figure 7.8.2 Bushels of wheat harvested, by Agency, 1917-1936



Source: Indian Affairs, Annual Reports. Excludes Isle a la Crosse and Wood Mountain Reserve.

Figure 7.8.3 Average Farm Price Per Bushel of Wheat, Saskatchewan, 1917-1936

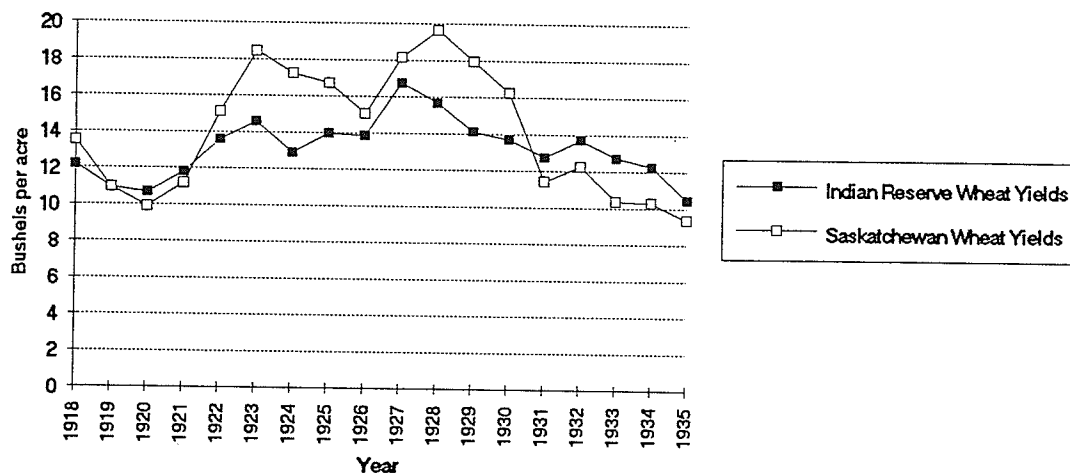


Source: Handbook of Agricultural Statistics, Part I, Field Crops, March 1964

The farm gate value of wheat production by agency (figure 7.8.1) fluctuated with average farm prices (figure 7.8.2) and harvests (figure 7.8.3). Between 1917 and 1921 rising prices were the main factor contributing to increased

farm gate value. Sharply lower prices in 1922 and especially 1923-25 offset increased outputs of reserve farms. Somewhat improved outputs and prices through 1928 created a higher farm gate value. 1931 saw improved harvests and higher price, but thereafter low prices and low output saw farm gate values of wheat production at their lowest point in more than twenty years.

Figure 7.9: Comparison of Saskatchewan Indian Reserve and All Saskatchewan wheat yields, 1918-1935 (three year moving average)



Source: Annual reports, Department of Indian Affairs. Agriculture Canada, Field Crop Statistics.

A comparison of wheat yields of Indian reserve farms and Saskatchewan as a whole shows that Indian agriculture secured higher yields when Saskatchewan yields were less than twelve bushels an acre and lower yields when Saskatchewan yields were greater than 12 bushels an acre (figure 7.9). Indians obtained higher yields per acre than

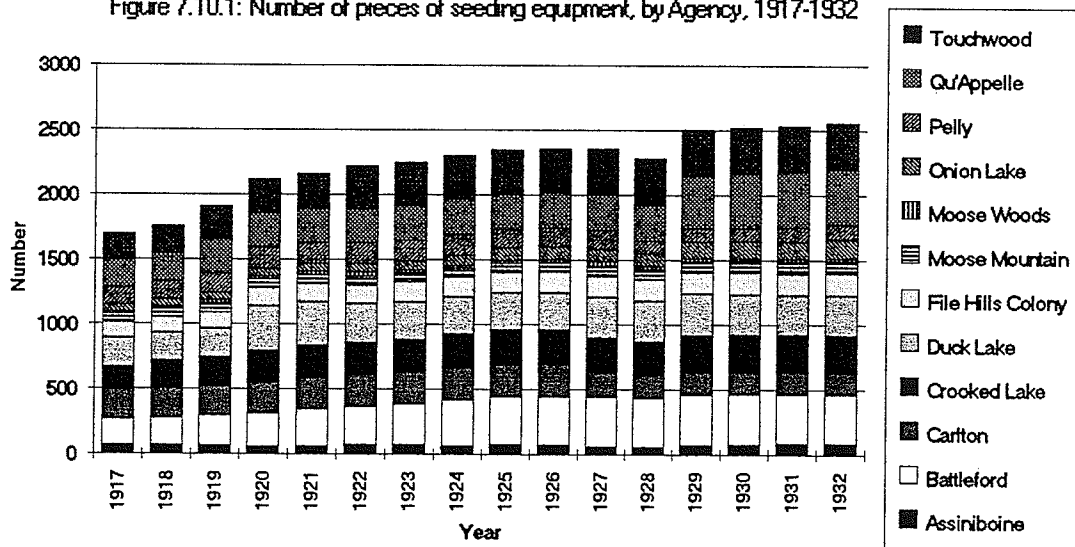
the province as whole over the 1931-1935 period. In the years 1922-1930, when Saskatchewan average yields exceeded those of Indian reserve, poorer wheat-producing lands held by Indians account for part of the difference. In the nine years 1922-1930, the three-year moving average of yields of Indian reserves in Carlton District exceeded provincial yields in six of those years, in Qu'Appelle in four years, in Moose Mountain, File Hills and Duck Lake in three years, in Onion Lake in two years and in Crooked Lake in only one year.

Lower levels of mechanization and higher reliance on labour-intensive methods might account for the narrower range of yields on Indian reserve lands. There would be more intensive harvesting in poor years, and less extensive harvesting in good years, than in better equipped Saskatchewan agriculture.

Increased acreage under cultivation implied a need for more equipment. Between 1917 and 1932, the number of pieces of seeding equipment (including ploughs, drills and harrows) on reserves grew by nearly 50%, accomodating the expansion land under cultivation to a similar extent (figure 7.10.1). But the number of pieces of harvesting equipment (including reapers and threshers) grew by much less; reached a peak in 1924, and declined into the 1930s (figure 7.10.2). The number of conveyances - including carts, wagons, automobiles

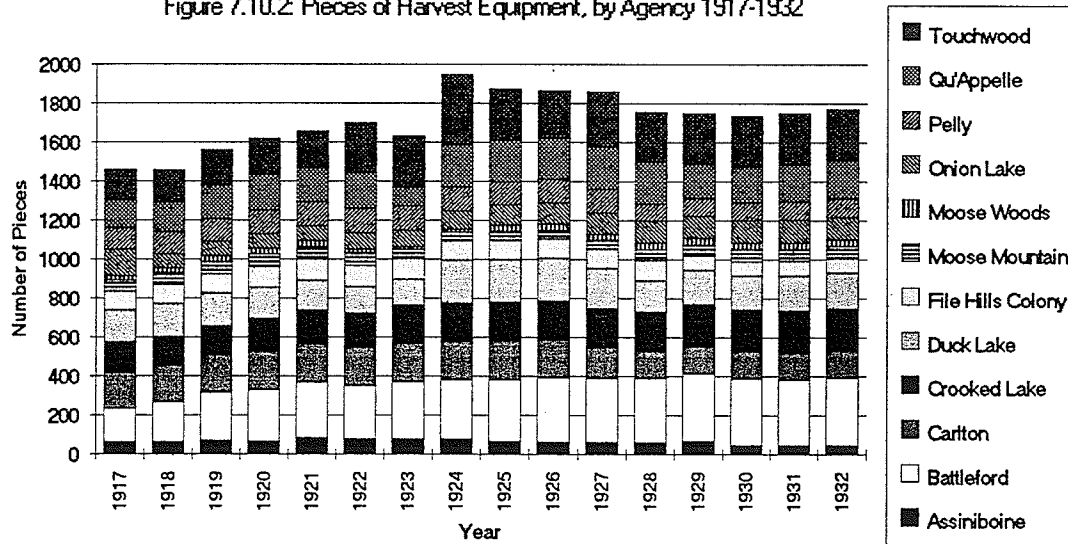
and other vehicles - declined steadily from 1920 to 1930 (figure 7.10.3). The number of engines and machines, such as those used for threshing, grew from 45 in 1920 to just fewer than 70 in the early 1930s (figure 7.10.4). The increased number of seeding and harvesting implements did not eliminate the need for sharing among several reserve farmers. With a short growing season and a critical period for harvest, shortages of equipment hindered farm efforts.

Figure 7.10.1: Number of pieces of seeding equipment, by Agency, 1917-1932



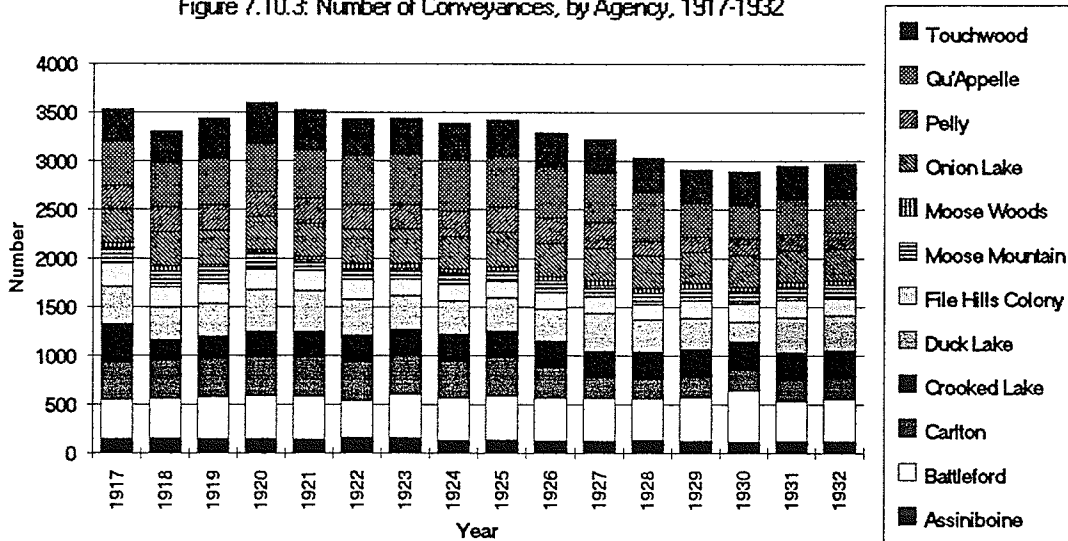
Source: Annual reports, Indian Affairs. Excludes Isle a la Crosse and Wood Mountain Reserve.

Figure 7.10.2: Pieces of Harvest Equipment, by Agency 1917-1932



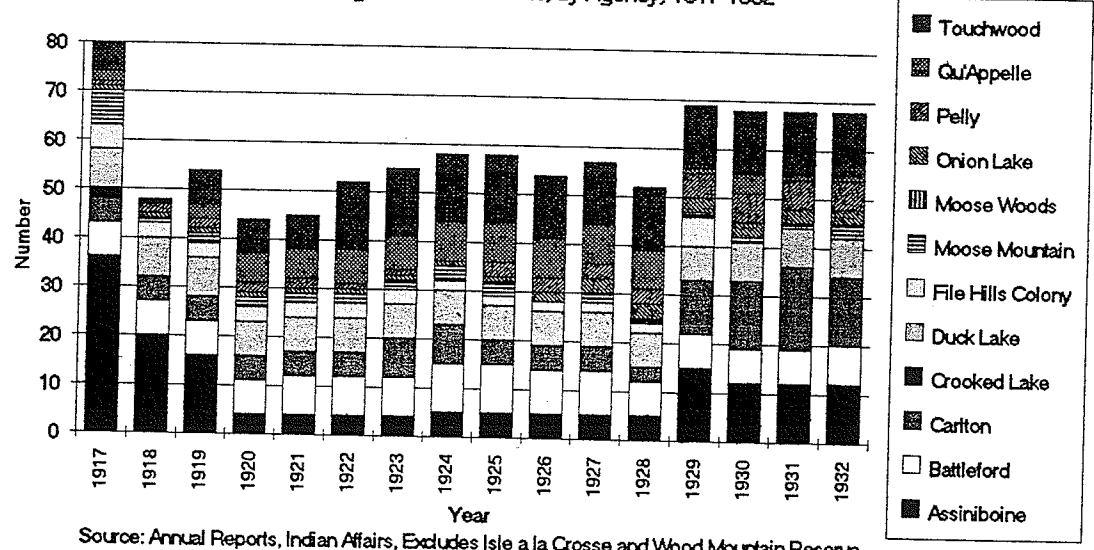
Source: Annual Reports, Indian Affairs. Excludes Isle a la Crosse and Wood Mountain Reserve

Figure 7.10.3: Number of Conveyances, by Agency, 1917-1932



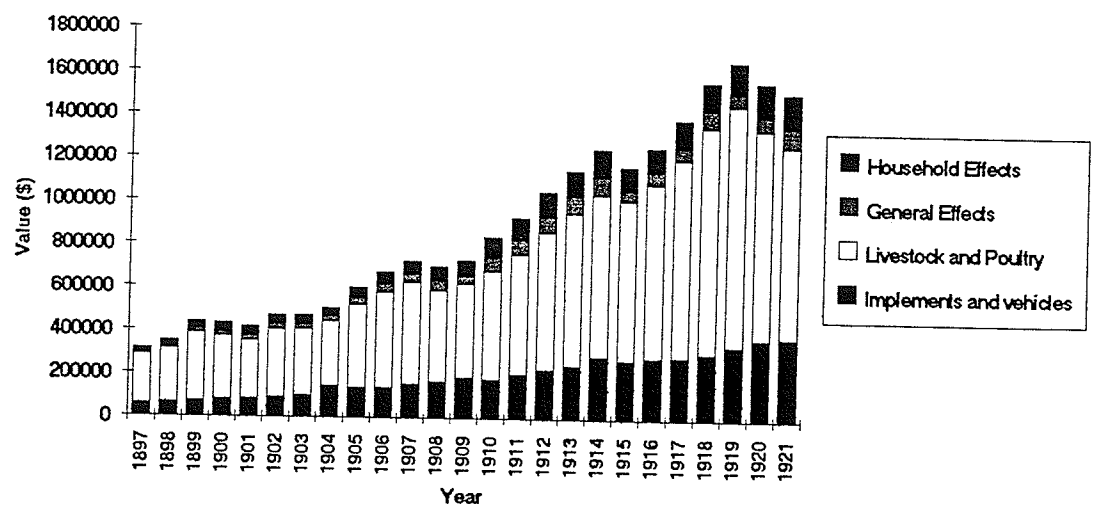
Source: Indian Affairs, Annual Reports. Excludes Isle a la Crosse and Wood Mountain reserve.

Figure 7.10.4: Engines and Machines, by Agency, 1917-1932



Source: Annual Reports, Indian Affairs, Excludes Isle a la Crosse and Wood Mountain Reserve

Figure 7.11: Value of Personal Property of Indians in Saskatchewan, 1897-1921



Source: Annual Reports, Department of Indian Affairs

The total value of personal property of Indians - including livestock and poultry, implements and vehicles, general effects and household effects - grew considerably

between 1897 and 1919 (figure 7.11). Up to 1921, the bulk of the value of personal property was composed of livestock and poultry. Implements and vehicles were second most important in value. The six fold increase in the value of implements and vehicles and livestock and poultry to 1919 indicated a considerable degree of success in building up a stock of capital goods, even though the per capita value of this property remained relatively small. The basis on which the value of these components was calculated was not given by the Department. It appears likely that equipment was valued at its purchase price and that no depreciation schedule was applied. It is not clear when equipment was removed from a band's assets by the agent - when the equipment ceased to be usable or when it was scrapped or sold.

Hunting and trapping returns encompass at least two very distinctive types of economic activities: hunting as a supplementary source of meat for reserve residents, and fur trapping for market. The published reports of Indian affairs do not permit estimates of these two elements. Hunting and trapping incomes rose in the 1897-1906 decade, and accounted for more than 25% of income by 1905 and 1906. During the next decade, hunting and trapping returns varied widely, especially in response to changing world market conditions. For example, the market for furs disappeared in 1914 with the outbreak of the war, and fur returns fell by forty

percent. There was a brief resurgence of prices and volume in 1923-1926, but thereafter the value from hunting and trapping activity fell steadily through 1933. A comparison of hunting and trapping returns of Indians in Saskatchewan with Ray's index of prices of selected Canadian wild furs 1920-45 (Ray, 1990, p. 114) shows that incomes depended in considerable part on fluctuating world prices. Rising world prices tended to stimulate fur harvests, with a resulting depletion of the fur resource. Government fur conservation efforts, discussed in the previous chapter, did not succeed in conserving incomes. Falling fur prices after 1929 could not be offset by increased production. Expansion of production of lower valued furs did not forestall falling incomes.

Hunting and trapping income accounted for less than 10% of total Indian incomes in Saskatchewan after 1927, when prices began a precipitous fall from which they did not recover until the 1940s. While the annual reports of the Department continued to remark on the increasing self-sufficiency of Indian reserve agriculture, the reports also lamented the increasingly difficult situation of Indians relying on trapping. Health problems, particularly tuberculosis, were noted to be on the rise among Indians whose livelihood was based on trapping (AR, 1926, p. 10).

Wages did not assume the quantitative significance in the per capita incomes of Saskatchewan Indians as in other parts of the country. In Saskatchewan, wages typically made up less than 10% of incomes of Indians, compared to more than a third in other regions of the country. For example, Burrows (1986) found that wages accounted for about a third of incomes over the period 1897 to 1910 in the Kamloops-Okanagan Agency. Wien (1986), citing Gonzalez (1981), remarked that the major trend of incomes of the Mic Mac in Nova Scotia during the period 1867 to 1945 was "the growth in the significance of wage labour, derived from industrial, construction, and agricultural work" (Wien, p.25). The data cited by Wien shows that wages rose from 20% to 35% of incomes from 1900 to 1905, ranged between 30% and 40% between 1905 and 1920, and were above 45% throughout the 1920s. Lithman, citing data on a band in Manitoba, suggested that wage work rose in importance during the first two decades of the twentieth century. He concluded that the fortunes of the band became heavily dependent on the availability of wage work, and less and less reliant on agricultural pursuits. For example, when a pulp mill and company town were built, several hundred Indians were reported employed in construction and associated activities (Lithman, 1984, pp. 37-40). But wages reached a maximum of only 11 percent over the same period in Saskatchewan.

Although wage labour did not figure large in Indian incomes in Saskatchewan, many types of wage labour were performed. These included contract freighting for immigrant settlers (Little Poplar, 1975), farm labour (Goodwill and Sluman, 1984; Doyle 1988; Little Poplar, 1975), domestic and town service employment (Brass, 1987), and construction work on large infrastructure projects, such as the Island Falls dam (Goulet, 1988).

Wage labour activities were sometimes used as a way to eke out the income of the on-reserve household. For example, John Tootosis took up farm labour in 1916. He reported that he was paid forty dollars a month (forty-five dollars in the summer) plus room and board. "John kept only enough of his wages to buy the necessary clothing for his work - he did not smoke - all the rest he gave to his father in order to help with the expense of raising such a large family" (Goodwill and Sluman, pp. 109-110).

The Island Falls dam was a major infrastructure project in east central Saskatchewan. It was constructed in two phases - 1926-1928 and 1930-35, and made considerable use of Cree workers. The working conditions, however, were early nineteenth rather than early twentieth century. The Cree workers were "paid in groceries at a rate equivalent to thirty cents an hour, ten to twelve hours a day with no overtime pay" (Goulet, 1988). By 1935, as the second major

phase of dam neared its end, the Cree workers organized successful industrial action to obtain a raise (to thirty-five cents an hour), payment in cash "instead of baloney, bacon and so on" and an eight-hour day (Goulet, 1988, pp. 14-15).

Annuities and interest on trust accounts provided a steadily growing source of income. Rising interest earnings on trust funds reflected the income derived from land surrenders. In the first decades of settlement on reserves, annuities had provided the major source of cash income and an important impetus to the development of the market economy in the province. As income from agriculture, hunting and wages rose in the first two decades of the twentieth century, annuities and interest earnings fell to as little as four to six percent of per capita incomes. After 1929, as incomes from other sources fell, annuity and interest incomes became an increasingly important source of support, accounting for more than a quarter of total reported income by 1933.

Other income was earned from a variety of activities, including domestic manufactures, freighting, and other fire wood and post wood cutting. Freighting activities and certain industrial production such as lime production were prominent before 1905 (Little Poplar, 1975, pp. 10-11). Wood cutting was typically carried out for neighbouring non-

Indian farmers, for cash or barter (Little Poplar, 1975, p. 11; Doyle, 1988, p. 78-80). Domestic manufactures were encouraged by the Department; this source of income was hard hit by the depression (AR, 1931, p.8).

7.4 Regional variations.

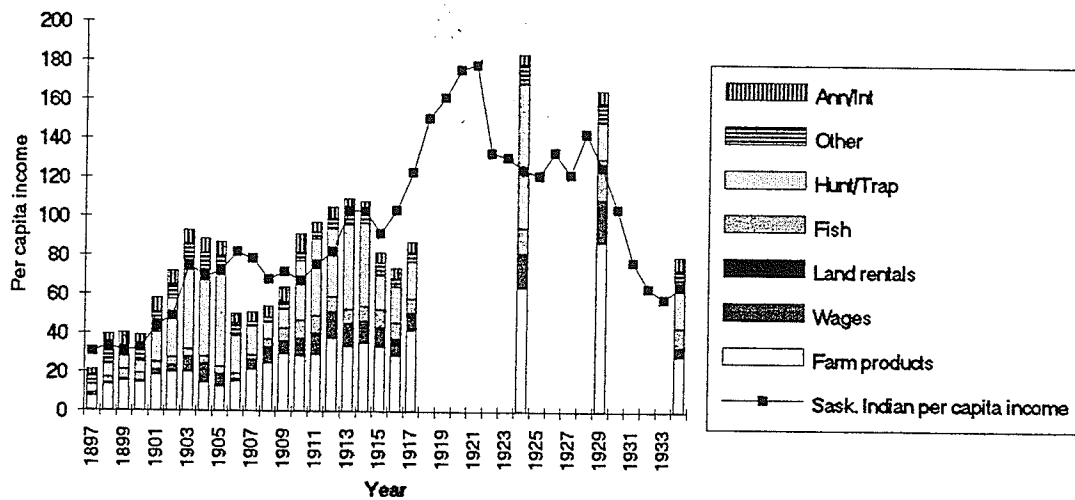
At the agency level, per capita incomes differed from the province-wide income of Indians in both composition and size. From 1897 to 1917, the production orientation in different Indian agencies reflected different resource bases. Agencies across central Saskatchewan, on the northern fringes of the grain belt - Onion Lake (figures 7.12.1 and 7.12.2), Carlton (figures 7.13.1, 7.13.2), Duck Lake (figures 7.14.1, 7.14.2) and Touchwood Hills (figure 7.15.1, 7.15.2) - relied on hunting and trapping for incomes to a greater extent than did more southern agencies.

The central and northern agencies showed a diminishing absolute and relative importance of those activities after 1917. That effect was least pronounced in the Onion Lake agency, where hunting and trapping activities continued to provide the main source of per capita (figure 7.12.1) and total (figure 7.12.2) incomes through 1924. After 1925 hunting and trapping declined in per capita and total importance in the Onion Lake agency too.

In the Carlton agency, hunting and trapping were substantially lower after 1906. Agriculture grew in

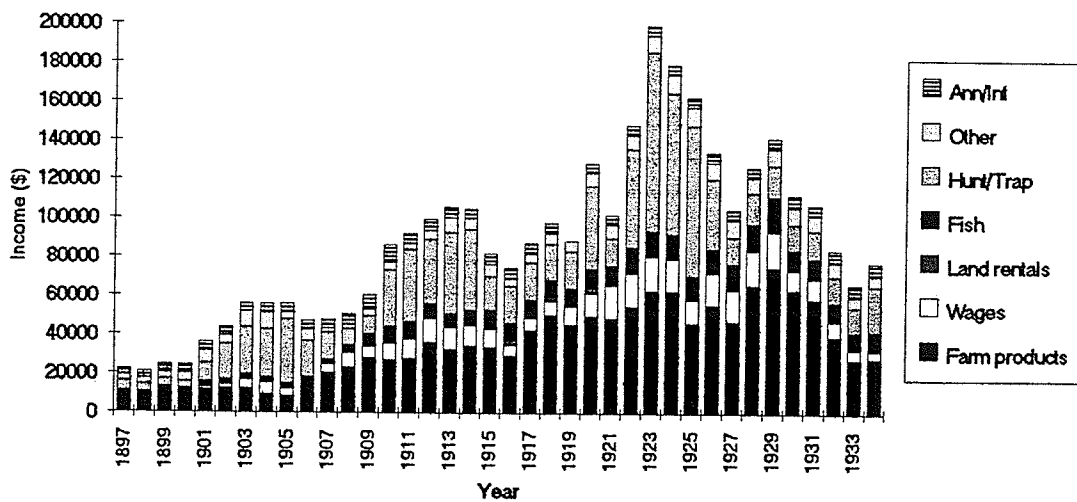
importance during the war years. As a share of per capita income, hunting and trapping were outstripped by agriculture from 1913 on (figures 7.13.1, 7.13.2).

Figure 7.12.1: Per capita income, by source, Onion Lake Agency, 1897-1934



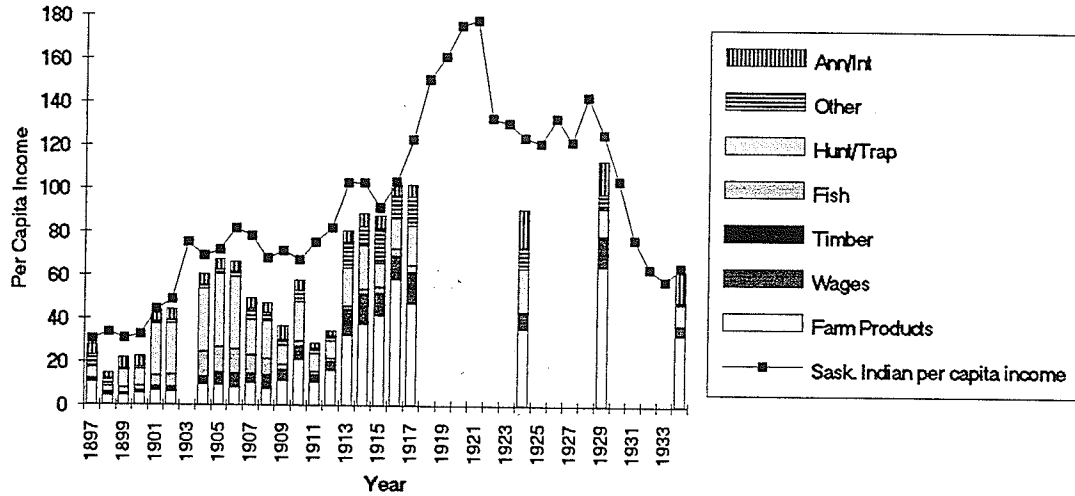
Source: Annual reports, Department of Indian Affairs

Figure 7.12.2: Income, by source, Onion Lake Agency, 1897-1934



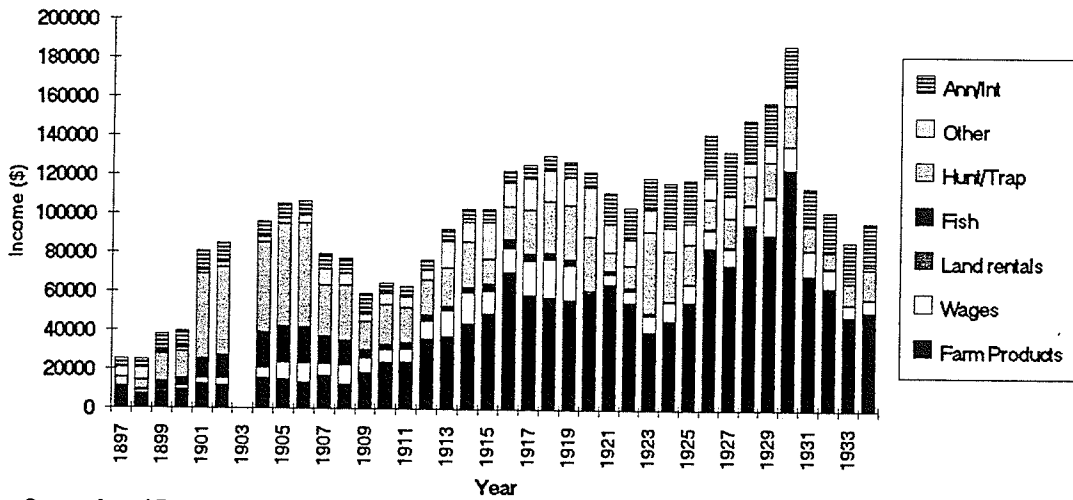
Source: Annual reports, Department of Indian Affairs

Figure 7.13.1: Per capita income, by source, Carlton Agency, 1897-1934



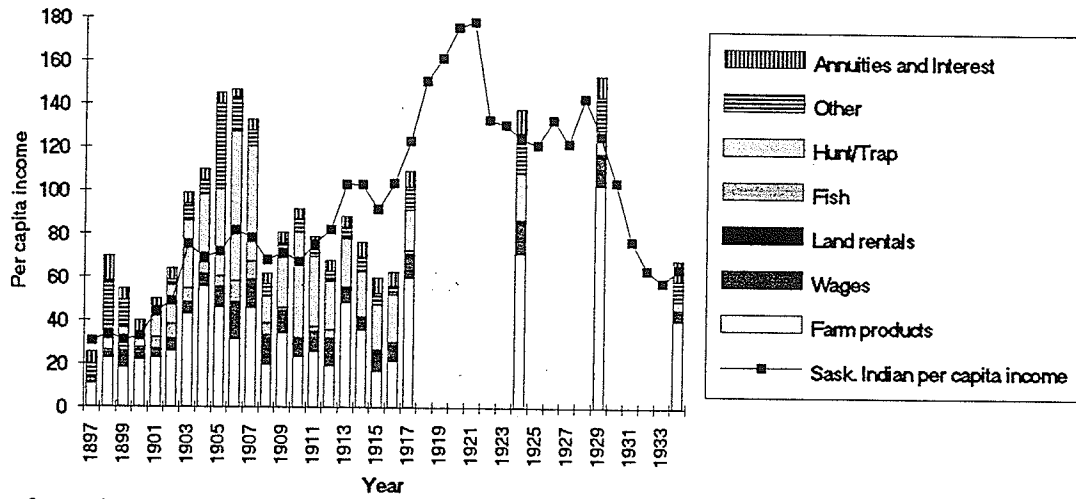
Source: Annual Reports, Department of Indian Affairs

Figure 7.13.2: Income, by source, Carlton Agency, 1897-1934



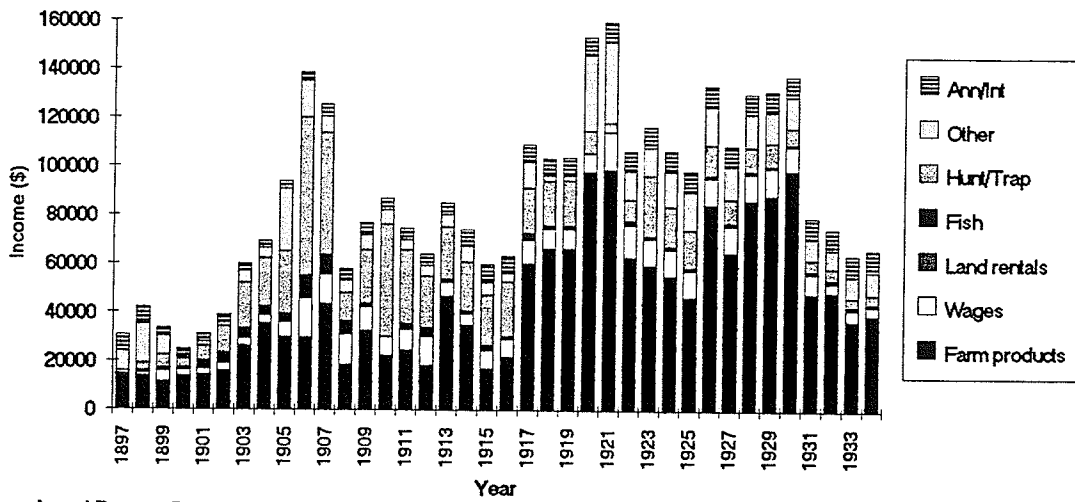
Source: Annual Reports, Department of Indian Affairs

Figure 7.14.1: Per capita income, by source, Duck Lake Agency, 1897-1934



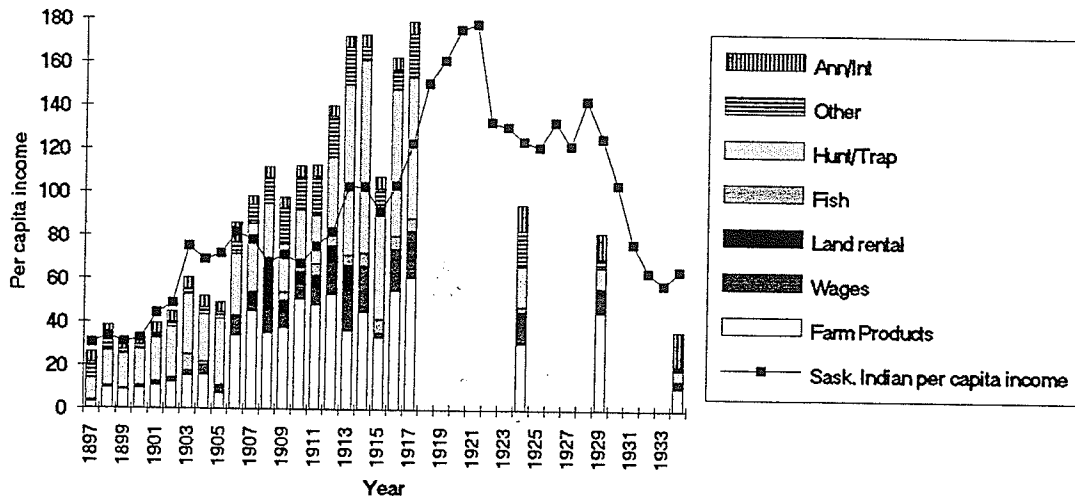
Source: Annual Reports, Department of Indian Affairs

Figure 7.14.2: Income, by source, Duck Lake Agency, 1897-1934



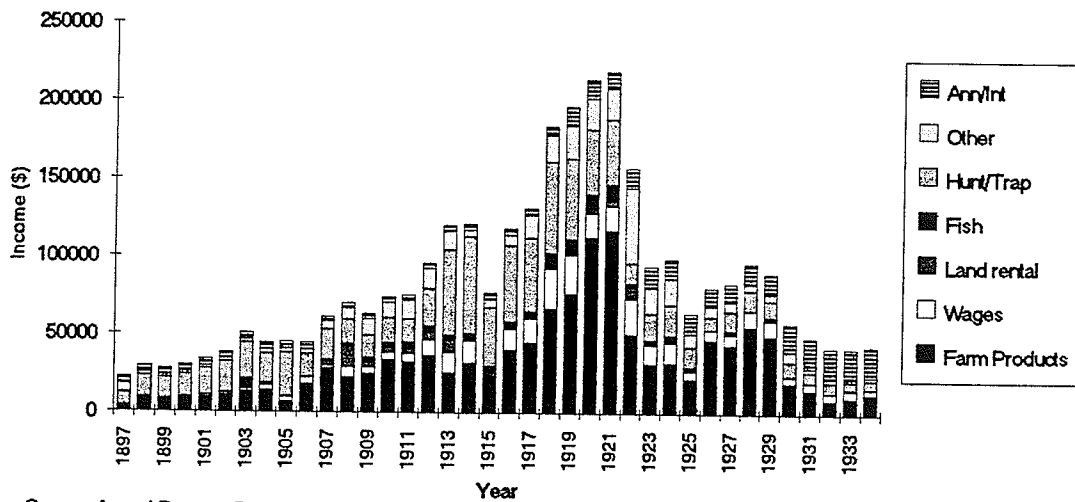
Source: Annual Reports, Department of Indian Affairs

Figure 7.15.1: Per capita income, by source, Touchwood Hills Agency, 1897-1934



Source: Annual reports, Department of Indian Affairs

Figure 7.15.2: Income, by source, Touchwood Hills Agency, 1897-1934



Source: Annual Reports, Department of Indian Affairs

In the Duck Lake agency, hunting and trapping remained a sizeable, but fluctuating, share of per capita income through the war. It remained the single most important income source in most years - excepting 1908, 1913 and 1914. However, in the post war years, hunting and trapping diminished in importance as agriculture increased (figures 7.14.1, 7.14.2).

In the Touchwood Hills agency, hunting and trapping was a more important source of per capita income than agriculture through 1905 and during the years 1913-1917 (figures 7.15.1, 7.15.2). In the period 1906-1912, agriculture assumed a greater significance than hunting and trapping. As in Duck Lake and Carlton hunting and trapping diminished in importance in the 1920s and 1930s.

In the southern agencies, Indian reserves relied mainly on agriculture. This can be seen in the Pelly (figures 7.16.1, 7.16.2), File Hills (figures 7.17.1, 7.17.2), Moose Mountain (figures 7.18.1, 7.18.2), Assiniboine (figures 7.19.1, 7.19.2), Qu'Appelle (figures 7.20.1, 7.21.2), Crooked Lakes (figures 7.21.1, 7.21.2) and Battleford (figures 7.22.1, 7.22.2) agencies.

The File Hills agency, during the years it was not part of the Qu'Appelle agency - prior to 1901 and after 1914 - showed a 1917 peak per capita income of \$283, more than double the provincial average of \$124 (figure 7.17.1;

7.17.2). The Qu'Appelle agency also showed above average per capita income except in the three years 1911-1913 (figure 7.20.1; 7.20.2).

High per capita incomes in the File Hills agency were likely due in part to the File Hills Colony, a social experiment begun in 1901 by the Department at the suggestion of W.M. Graham. The Colony was established on Peepeekisis reserve. Colonists were graduates of boarding and industrial schools. The colonists were married off, housed in 'modern housing' and granted tracts of land on which to farm. The idea was to prevent contact between colonists and Indians on reserve who would inculcate 'traditional' values in the youth (Titley, 1983).

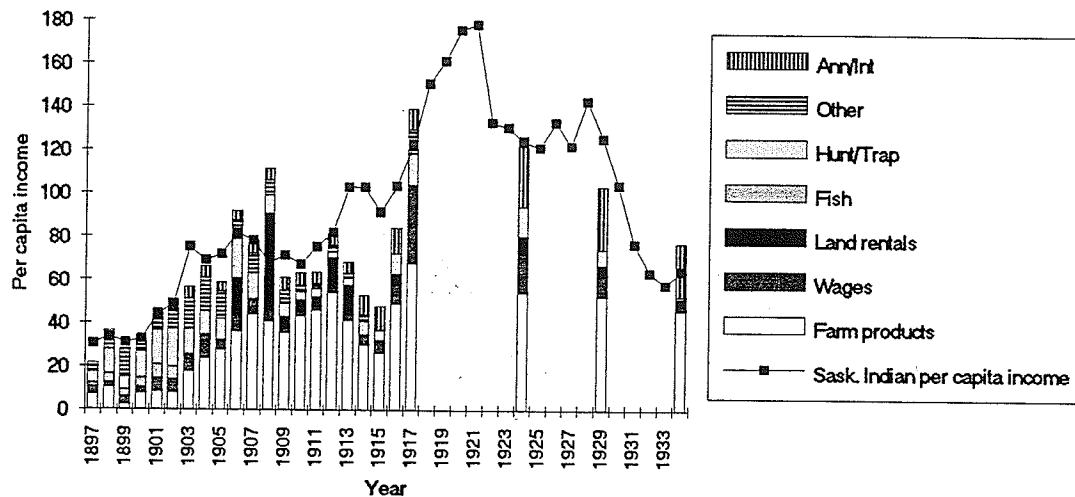
After 1917, the per capita incomes at File Hills moved more closely into line with the Saskatchewan Indian average. The File Hills Colony contributed substantial amounts of the total income of the agency. Annual reports of the Department show that the File Hills Colony usually accounted for more than half of income of bands in the File Hills agency.

The southern agencies showed varying responses to changing economic conditions in the 1920s and 1930s. In some cases - such as Pelly (figures 7.16.1, 7.16.2), Qu'Appelle (figures 7.20.1, 7.20.2) and Crooked Lakes (figures 7.21.1., 7.21.2) agencies - there was a marked increase in reliance on annuity and interest income. This was due in part to the

deterioration of income sources from other sources, particularly agriculture. It was due in part to increased income arising from interest payments for land surrenders in Qu'Appelle and Crooked Lakes agencies after 1920. File Hills agency retained its heavy reliance on agriculture as a source of income (figures 7.17.1, 7.17.2). Battleford agency showed a significant increase in reliance on wage income into the 1930s (figures 7.22.1, 7.22.2).

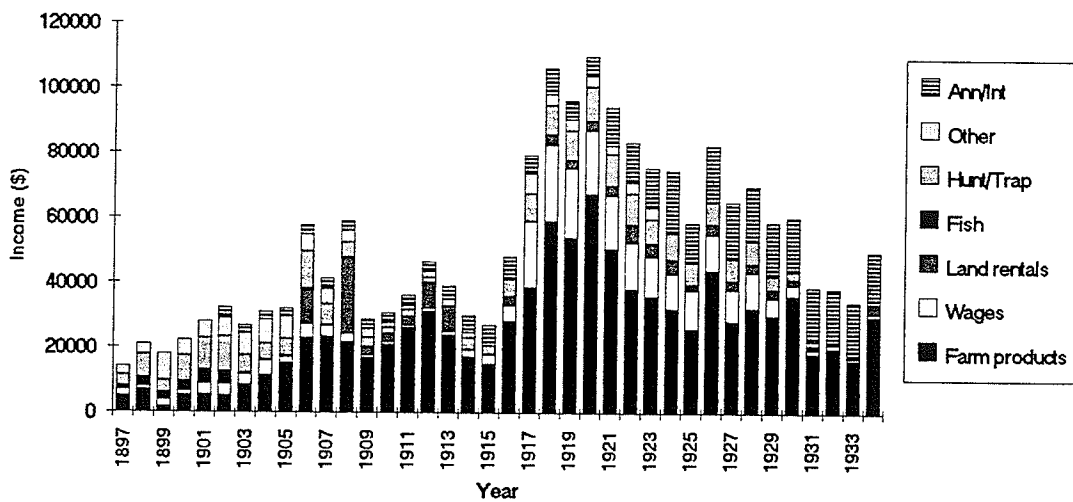
The change in the composition of income sources depended on push or pull factors in different circumstances. Little Poplar's testimony suggested that the increased orientation towards wage labour in the Battleford area was related to the decline of on-reserve agriculture (Doyle, 1988). In Pelly and Qu'Appelle, on the other hand, the agent lamented that Indians were less devoted to agriculture than they might be because of the off-reserve work opportunities which became available in the context of thick settlement at the onset of World War One (AR, 195, p. 69). What emerges from the data is a picture of responsiveness of Indian economic activity to the changing economic environment, whether due to production factors (fur depletion or crop failure) or market conditions.

Figure 7.16.1: Per capita income, by source, Pelly Agency, 1897-1934



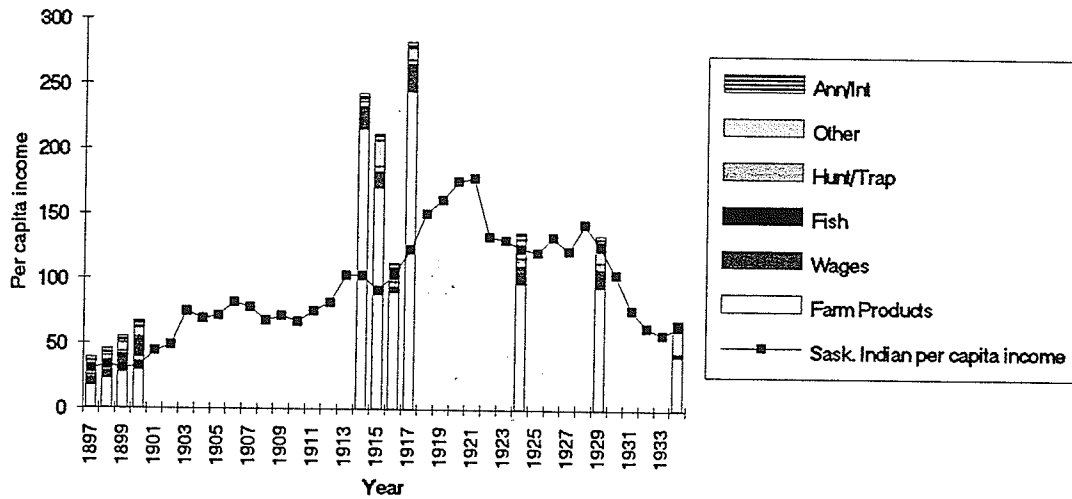
Source: Annual reports, Department of Indian Affairs

Figure 7.16.2: Income, by source, Pelly Agency, 1897-1934



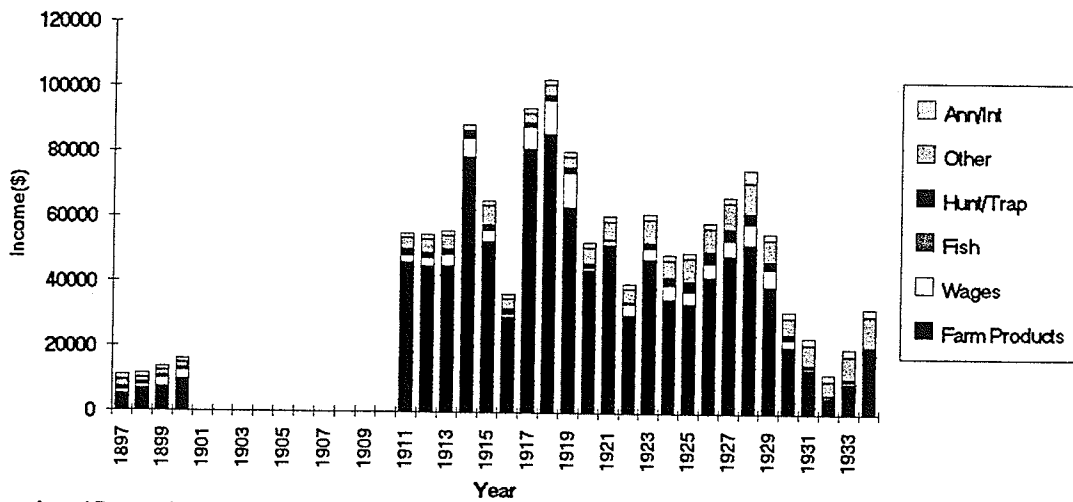
Source: Annual reports, Department of Indian Affairs

Figure 7.17.1: Per capita income, by source, File Hills Agency, 1897-1934



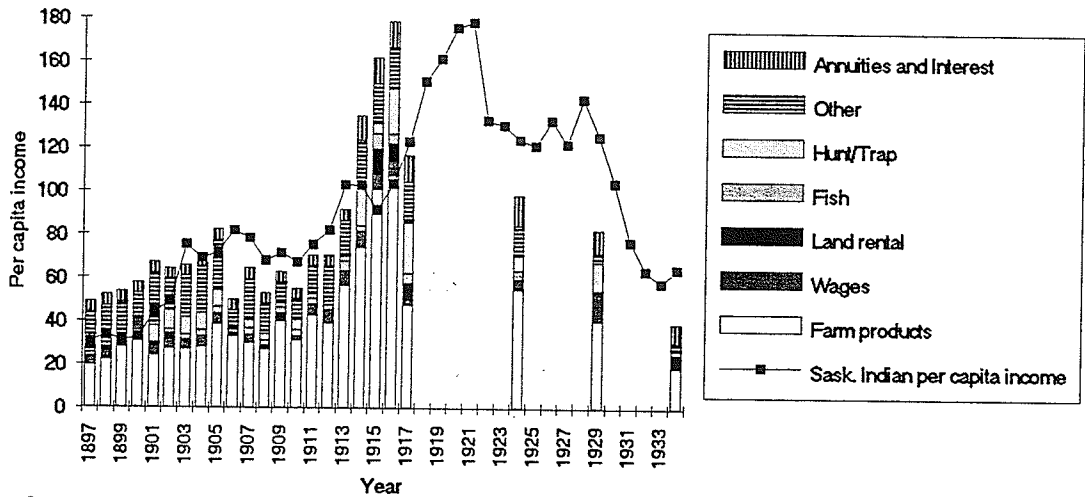
Source: Annual Reports, Department of Indian Affairs

Figure 7.17.2: Income, by source, File Hills Agency, 1897-1934



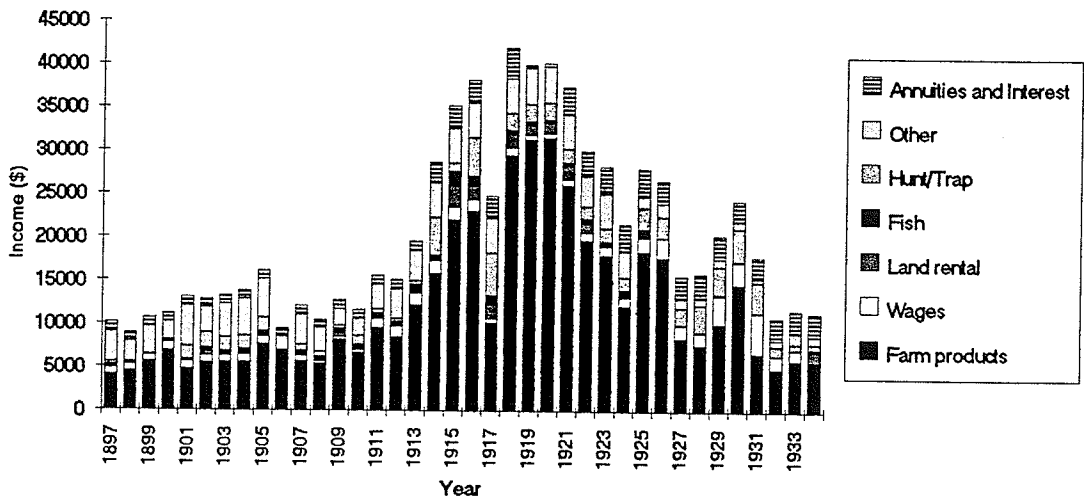
Source: Annual Reports, Department of Indian Affairs

Figure 7.18.1: Per capita income, by source, Moose Mountain Agency, 1897-1934



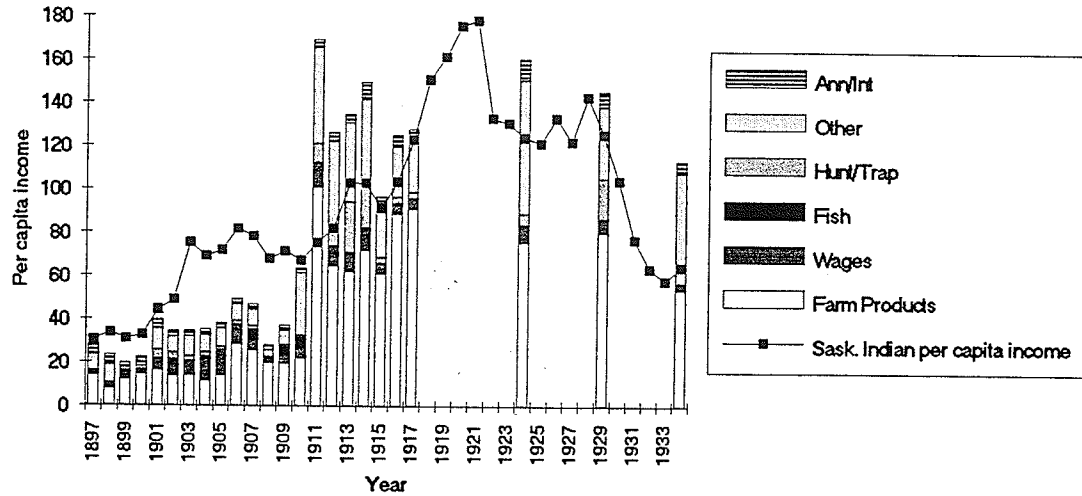
Source: Annual Reports, Department of Indian Affairs

Figure 7.18.2: Income, by source, Moose Mountain Agency, 1897-1934



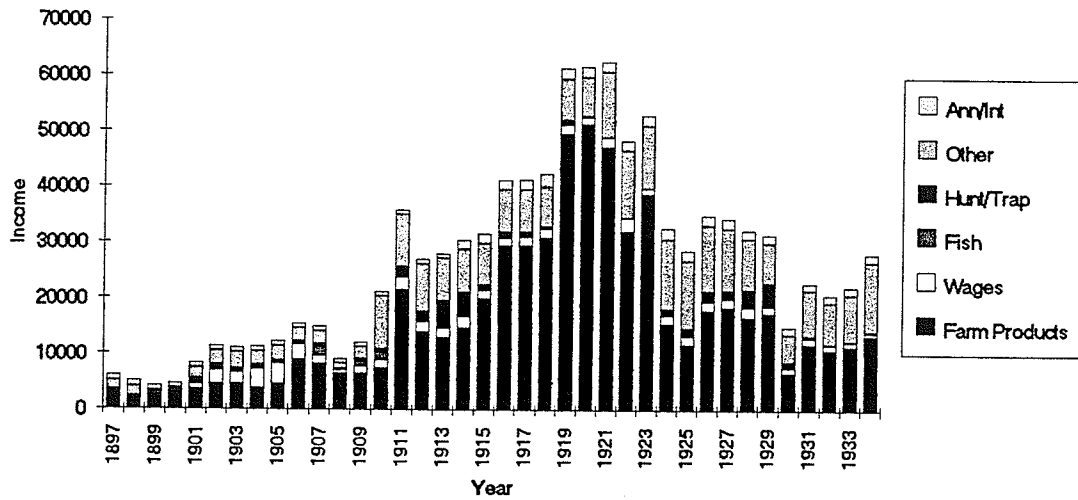
Source: Annual Reports, Department of Indian Affairs

Figure 7.19.1: Per capita income, Assiniboine Agency, 1897-1934



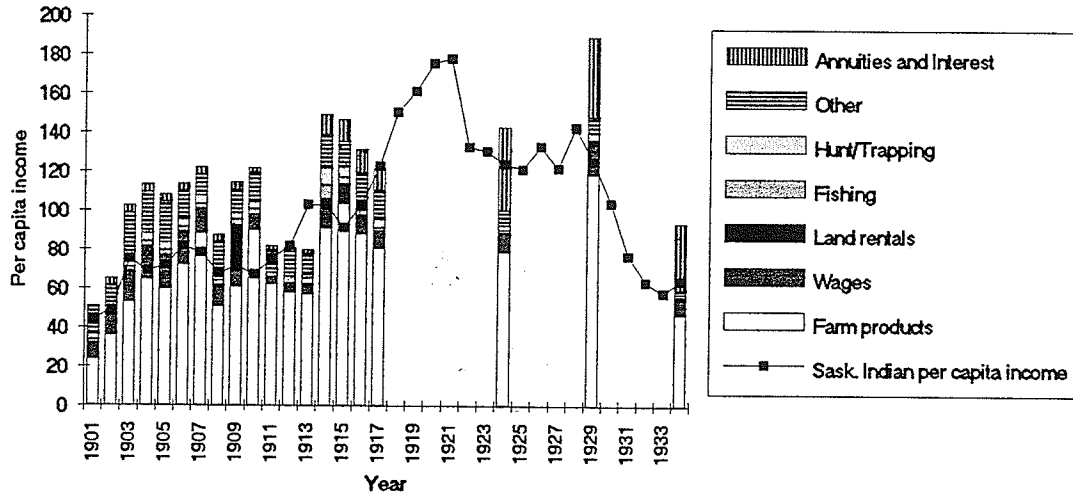
Source: Annual Reports, Department of Indian Affairs

Chart 7.19.2: Income, Assiniboine Agency, by source, 1897-1934



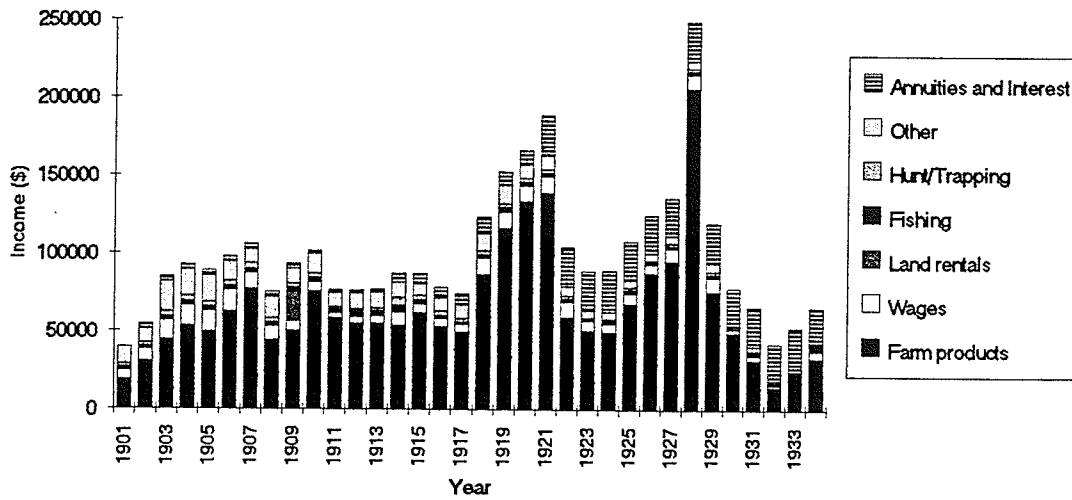
Source: Annual Reports, Department of Indian Affairs

Chart 7.20.1: Per capita income, by source, Qu'Appelle Agency, 1901-1934



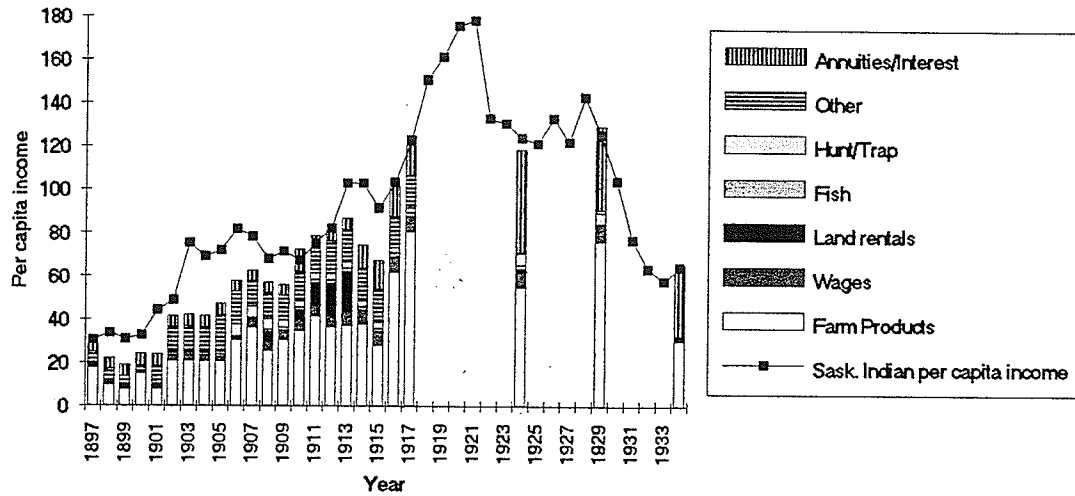
Source: Annual reports, Department of Indian Affairs

Figure 7.20.2 Income, by source, Qu'Appelle Agency, 1901-1934



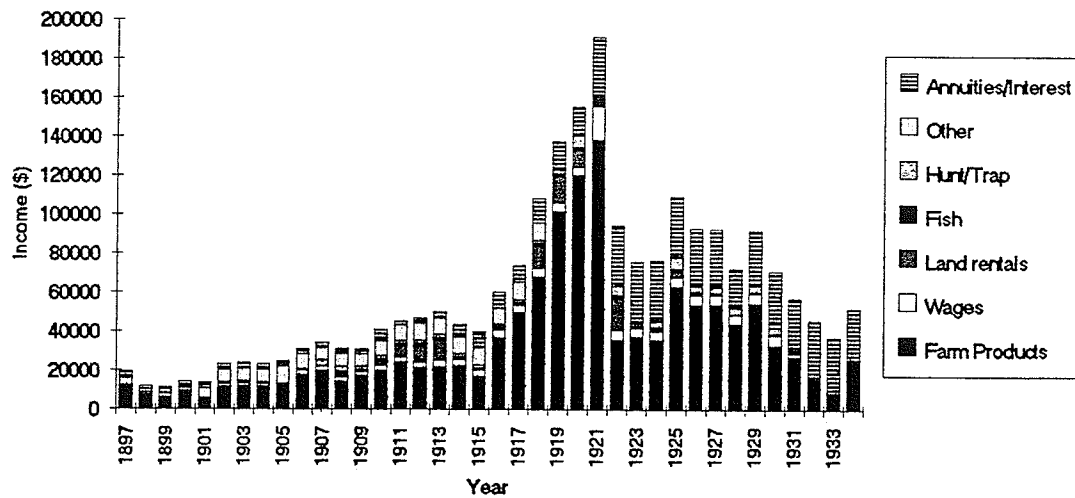
Source: Annual reports, Department of Indian Affairs

Figure 7.21.1: Per capita income, by source, Crooked Lakes Agency, 1897-1934



Source: Annual Reports, Department of Indian Affairs

Figure 7.21.2: Income, by source, Crooked Lakes Agency, 1897-1934



Source: Annual reports, Department of Indian Affairs

Figure 7.22.1: Per capita income, by source, Battleford Agency, 1897-1934

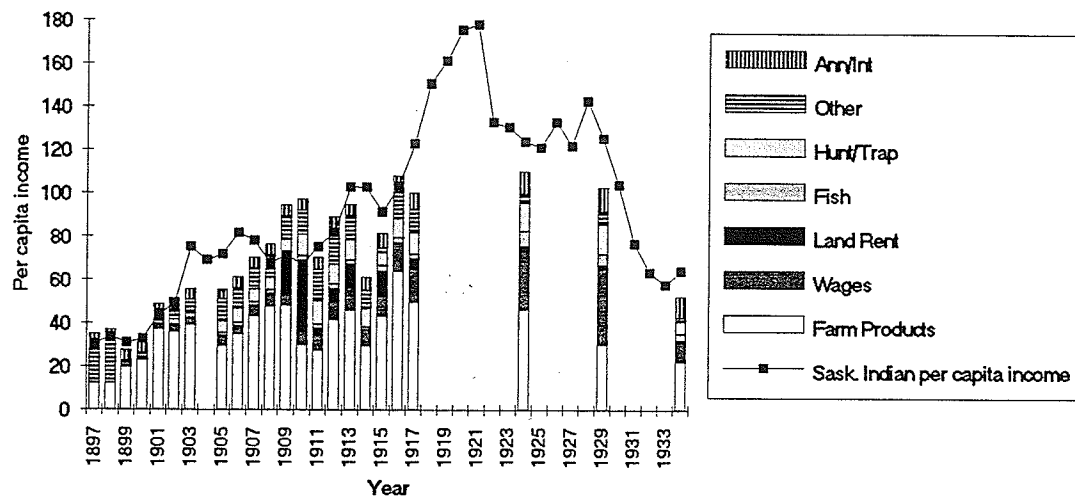
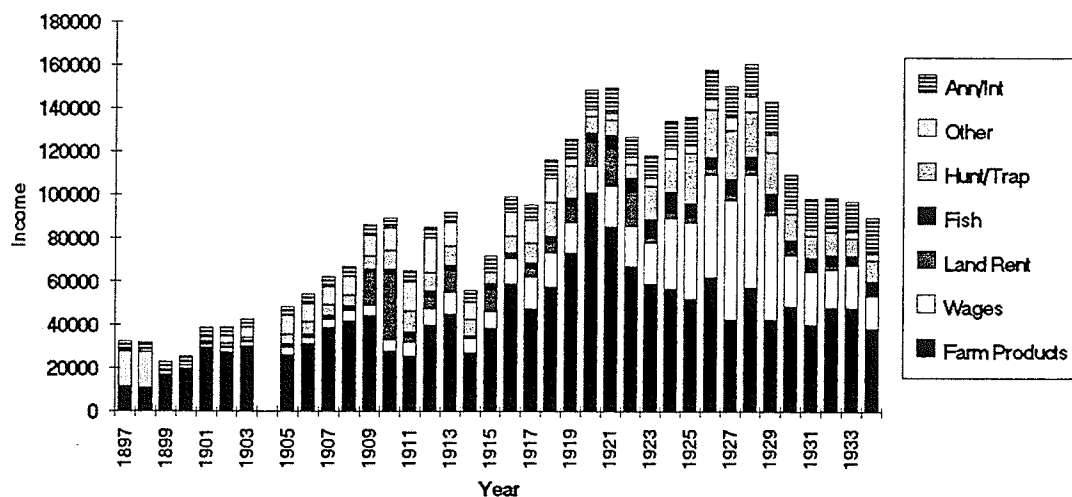


Figure 7.22.2: Income, by source, Battleford Agency, 1897-1934



Although wage labour was not a major component of Indian incomes in Saskatchewan, it did figure large in the incomes of some agencies particularly during the depression years when agricultural production and fur harvesting were poor.

In Battleford agency, wages became an increasingly important part of incomes from 1921 to 1933 (figure 7.22.1). Between 1926 and 1929, wages came to account for more than a third of income (figure 7.22.2).

No clear relationship can be seen between economic orientation and per capita income. (Saskatchewan Indian per capita income is overlaid on agency per capita income in figures 7.12.1 through 7.22.1). Onion Lake showed above average per capita income throughout most of the period, while Carlton showed below average. Onion Lake agency maintained above average per capita income with the growth of both agriculture and hunting trapping income in 1924 and 1929. In Duck Lake, above average incomes were maintained in the post-war years although hunting and trapping fell and agriculture rose in importance.

The File Hills agency bands maintained average per capita incomes by relying mainly on agriculture. Pelly, Qu'Appelle and Crooked Lakes agency bands relied heavily on increased annuity and interest payments to support per capita incomes. To a greater extent than in other agencies, Battleford agency bands relied upon wages in the 1920s, although these were not sufficient to maintain per capita incomes at the Saskatchewan Indian average.

The agencies which exhibited above average per capita incomes often had a high reliance on agriculture. The

Assiniboine Reserve, which was the sole band in the Assiniboine agency, showed this pattern. Prior to 1911, Assiniboine Reserve had below average per capita incomes. However, with the growth of agriculture as well as other sources of income after 1911, per capita incomes were above the Saskatchewan average (figure 7.19.1; 7.19.2). Pelly agency bands had below average incomes until 1917. The agricultural sources of income rose. Wages rose even more significantly (figure 7.16.1; 7.16.2).

The agencies which exhibited below average incomes in 1916 and 1917 included central and northern agencies, such as Duck Lake, Onion Lake and Carlton agencies. Duck Lake and Onion Lake both showed significant reliance on hunting and trapping for incomes. However, after 1917, Duck Lake agency bands showed substantial increases in agricultural incomes, while hunting and trapping sources of income fell (figure 7.14.1; 7.14.2). Onion Lake agency incomes did not rise as steadily as overall Indian incomes in the province, but did show a significant jump in income in 1920, attributable mainly to hunting and trapping. Hunting and trapping remained an important source of income for Onion Lake agency, and incomes fluctuated with hunting and trapping incomes (figure 7.12.1; 7.12.2).

Carlton agency bands also relied on hunting and fishing for the majority of per capita incomes to 1910. Subsequent

income growth depended heavily on agriculture, wage labour, though hunting activity remained important (figure 7.13.1; 7.13.2).

The Touchwood Hills agency experienced above average incomes over the period 1908 to 1917, due largely to incomes derived from hunting and trapping. Agriculture had begun to contribute to income growth for these bands after 1916 (figure 7.15.1; 7.15.2).

Battleford agency bands registered near average per capita incomes to 1913, after which per capita income was most often below average. Battleford shows a fairly diversified reserve economy with a considerable role for wage labour and hunting and trapping activity, in addition to its important agricultural earnings (figure 7.22.1; 7.22.2).

Per capita incomes at Crooked Lake agency were generally below average. At Crooked Lake, substantial contributions were made by annuities and annual interest payments on surrendered lands, which helped sustain incomes (figure 7.21.1; 7.21.2). However, after 1917, incomes rose rapidly as the value of agricultural output rose. Qu'Appelle Agency had above average incomes which relied heavily on agriculture (figure 7.20.1; 7.20.2).

Higher than average per capita incomes at Moose Mountain agency prior to 1917 were followed by lower than average

incomes, mainly as a result of the changes in agricultural production (figure 7.18.1; 7.18.2).

Two regional resource orientations emerge. In the southern part of the province, bands focused on agricultural production. In the north-central portions, hunting and trapping activities were of greater importance, especially before 1917. Overall, per capita incomes are largely explained by agricultural incomes. Bands with higher reliance on agricultural activities were more likely to have higher per capita incomes, while those relying on hunting and trapping showed lower per capita incomes.

7.5 Summary. The general picture which emerges from the data on population, incomes, economic activities is that Indians in Saskatchewan experienced a period of growing incomes to the early 1920s, a subsequent plateau in the latter part of the 1920s, followed by decline throughout the depression years of the 1930s. The outcome of the decline in the 1930s was particularly devastating, as it resulted in the virtual dismantling of the reserve agricultural economy as the main source of cash resources for the community, a move towards increasing reliance on annuities, interest income and entitlements from the government. A period portrayed by Indian and government commentators alike as one of relative self-sufficiency was followed by a period of

destitution and a collapse of economic activities linked to local and national markets.

Agriculture had grown in importance in Indian incomes from 1897 to 1930, and over the period 1910 to 1930, farm products accounted for half or more of per capita incomes. Acreage under cultivation increased, wheat became an important agricultural crop. Although Indian agriculture remained poorly equipped compared to neighbouring non-Indian farmers, crop yields of reserve agriculture were comparable. Livestock and poultry increased in value over the decades to 1921, providing a source of food and a marketable surplus.

Hunting and trapping diminished in relative importance, except for a brief resurgence in the mid-1920s. Wages were less important in Saskatchewan than in most other provinces. Wage earnings came from participation in the off-reserve economy in a variety of activities, and were often viewed as a means of supplementing income and earnings of on-reserve households. There was some participation in domestic production of handicrafts and other goods found a small market off-reserve through the 1920s; that market virtually disappeared in the 1930s.

Per capita incomes grew steadily from the turn of the century to 1921; achieved stability at a lower level from 1922 through 1929; and then experienced a steep decline through the 1930s. Per capita income growth during the first

two decades of the twentieth century meant increased involvement in the cash economy.

Underlying per capita income growth in the first two decades were cyclical fluctuations in real income associated with changes in the general price level. Real per capita incomes of Indians in Saskatchewan peaked in 1919. The situation of Indians in the 1930s took a marked turn for the worse both in terms of per capita incomes, and the relative position of Indians vis a vis the rest of the Saskatchewan population.

The resource base in different parts of the province afforded varied opportunities and pressures for participation in the market economy. Regional variations in the size and composition of incomes over the period appeared to reflect differing resources bases and market conditions. In the central portions of the province, hunting and trapping activities assumed a greater relative importance, while in the south, agricultural activities predominated. Generally, agencies where agricultural activities were more heavily relied upon, per capita incomes were higher.

CONCLUSION

Between 1870 and 1885, the Indian population was pivotal for the initial development of monetized markets in western Canada. Treaty trade and government purchases were important for market development in the northwest. They fostered and strengthened local markets when transportation infrastructure consisted of wagon trails and waterways.

Early market growth was reflected in a large scale treaty trade by caravans which moved with treaty commissioners to the sites where treaties were to be signed and signing bonuses and annuities distributed. Total expenditures of the Department in Manitoba and the Northwest Territories rose ten fold, from less than \$100,000 in 1874 to more than \$1,000,000 a year after 1882, more than half of that on provisions for Indians.

In the years immediately after the signing of the treaties, the principal source of money income for Indians was from treaty payments. The early reliance on treaty signing bonuses and annuities was soon supplanted by a growing participation in local markets. Many sources of earnings were tapped: sale of agricultural produce; commercial haying; wood cutting; freighting for the Department, for settlers and for commercial interests; farm labour; and manufacturing of lime and brick. The success of those activities was reflected in the complaints of

competing commercial interests. The decrease in government expenditures which were occasioned by austerity measures, but also by Indian successes, were also keenly felt by local suppliers.

Government efforts to encourage Indian agricultural initiatives took place in an atmosphere of emergency. The Home Farm policy did little to produce needed food supplies and less to foster on reserve agricultural efforts. Indian agricultural efforts were hindered by the low level of agricultural assistance from the government, by the absence of appropriate farm practices for prairie agriculture, and by poorly qualified farm instructors.

Nonetheless, by 1885, notable successes had been achieved in making the dramatic transition from the plains economy based on the horse, the buffalo and trade to an agricultural economy which was creating marketable surpluses. These successes were reflected in significant increases in cultivated acreage, crop harvests, and land development. By 1879, some reserve farms were marketing surpluses; by 1884 marketed surpluses were commonplace and farm operations were considered well-developed.

Even small commercial successes made possible purchases of more agricultural equipment and livestock by reserve farm operations. Bands also built up on-reserve facilities, including shops for building and equipment repair and some

manufacturing facilities. In addition to agricultural activities, Indians participated in wide-ranging off-reserve income generating activities. Settlement increased such opportunities.

Retrenchment and reprisals after 1885 led to declines in Departmental expenditures by 36% by 1896; hardest hit were expenditures on provisions and agricultural assistance. Economic gains which had been made to 1885 were undermined by dramatic population declines on Indian reserves in Saskatchewan. The Indian population fell by 32% between 1885 and 1891. Even acknowledging that a certain amount of this was due to migration from reserves for various reasons, including taking of Metis scrip, such significant population declines over so short a period must have had a destructive impact on reserve economies and social structures. Development in this period was purchased at a heavy social cost. Difficulties were caused by new government constraints on farming methods and access to markets. In spite of this, the people endured and made gains. These gains both depended upon, and strengthened, local markets.

During the decade 1886-1896 market growth proceeded rapidly in the northwest. By 1885, Native northwesterners - Indian and Metis - were outnumbered by non-Natives. The rapid economic growth at the beginning of this period, together with declining expenditures by the Department for

provisions, led to supply which outstripped demand; commercial interests called for greater restrictions on competitive Indian commercial activity.

Measures adopted by the government especially after 1890 restricted access by Indians to markets in which to sell produce and to markets for the purchase of farm equipment. Nonetheless, Indian incomes continued to rise over this period indicating a growing participation in markets despite government restrictions.

Carter (1990) and others have argued that promising early agricultural initiatives had become a shambles by 1896. The data presented in Chapter 4 provides some support for her argument. There was a decline in acreage under crop between 1891 and 1895. During the same years, there was a decline in the number of ploughs and of harrows in use in Saskatchewan Indian agriculture, although the number of wagons and carts increased. The number of oxen - a principal work animal - remained virtually stationary over the period 1891-1896. Recurring crop failures were discouraging.

Grain production played but a small role in earnings during this period. The most important growth areas of earnings between 1890 and 1896 were fish and fur harvesting, and the sale of cattle and sheep. Tons of hay harvested nearly doubled between 1891 and 1895. The number of horses

owned increased by nearly 75%, as did the number of cows and young stock on Indian reserves in Saskatchewan.

Between 1890 and 1896, the earnings of Indians on reserves increased four fold. In fact, incomes of Indians continued to rise in Saskatchewan after 1895, although they fell elsewhere in Canada. The rise in incomes was not universal across Saskatchewan agencies. In Treaty 4 agencies, which were the object of Carter's study, particularly in the more heavily settled areas, the effects of the commercial recession were reflected in reduced incomes. Declining incomes in 1896 as compared to the previous year or two were evident in Pelly, Muscowpetung, Crooked Lake and File Hills agencies. But much higher earnings were noted in Moose Mountain, Assiniboine, Touchwood Hills and Carlton agencies.

By 1896, agricultural development on Indian reserves was in decline, as shown by the smaller number of farmers and falling numbers of implements. Department agents restricted access to markets and severely hindered the commercial development of reserve agricultural development, marginalized in terms of their numbers and market importance by surrounding extensive economic growth. Yet, the very growth of the surrounding market economy required greater access to cash resources and market opportunities in order to meet needs for agricultural equipment and consumer goods.

The relative importance of Indians in markets declined, while the need for cash grew. The very market orientation which was crucial to and indicative of initial success had created a dependence on market orientation that was self-reinforcing. The fundamental dilemma of the dual economy came to the fore.

Large scale land surrenders characterised the period 1896-1914. The government placed a high priority on the settlement and economic development of the west, and toward this end encouraged the large-scale surrender by Indians of their reserve lands. From the Indian point of view, surrenders were a way to address the problem of money shortages and address urgent economic needs: the immediate need for cash; the need for capital goods for agricultural development; and the need for future income flows which would be derived from interest payments from the funded portion of sale proceeds.

Economic development efforts were marked by notable successes to the end of World War I. After a decade of stasis, the Indian population grew at a steady pace through the ensuing decades. Per capita incomes rose dramatically through 1921. Inflation, especially during the war years eroded the real value of this increase. But the growth of per capita incomes also reinforced a cash orientation. Real per capita incomes also rose substantially through 1918.

With the post war recession and accompanying drought in the early 1920s, per capita incomes stabilized at a lower level through the mid-1920s, and then fell thereafter into the depression of the 1930s.

During the first two decades of the century, Indian incomes moved in tandem with the cyclical and secular trends in the Canadian economy, and after the mid-1920s, the Saskatchewan economy. In the 1930s, however, Indian incomes continued to decline while Saskatchewan and Canadian incomes rose. There was demoralization and dismantling of agriculture on many reserves.

The evidence suggests that there was considerably more dynamism in Indian reserve economic development during the period 1896-1940 than is predicted by Carter (1990), Dyck (1986) and Buckley (1992). Despite the government policy barriers to Indian economic development, many Indian reserves showed success in agriculture and other economic activities which permitted a growing participation in the market economy.

When seeking an explanation for the post World War II economic conditions on Indian reserves, it is not sufficient to depend upon an idea of failed agriculture by 1896. Rather, it is necessary to explain why Indian agriculture failed to recover from the decline of the 1920s and the devastation of the 1930s, even though prairie agriculture in

general rebounded. Further research is suggested to explain why Indian agriculture was unable to recover in the post-1945 restructuring of prairie agriculture on a more mechanized and larger scale.

The basic unit of economic organization on Indian reserves was the household. The household, which typically meant an extended family, engaged in a wide range of economic activities, both for use and for market. Economic specialization was uncommon. Family members were deployed in a number of different income earning and goods producing activities on and off reserve. Some family members might engage in agriculture, while others were off-farm labourers, and others participated in hunting and trapping activities.

Although economic specialization was uncommon, there were conflicting interests. The department referred often to 'traditional' and 'progressive' Indians, or to the old and young. Among the many meanings that were attached to these labels, the Department included economic orientation. Traditional and old were inclined to a hunting and trapping lifestyle; the progressive and young to agriculture.

These distinctions were made both as between reserves and between different social groups on reserves. When the Department distributed the Chacastapsin band population among different reserves, it chose as a criterion whether they were thought to be inclined toward agriculture or

hunting and trapping. While reserves might have a dominant economic orientation towards one or the other activity, there were also differences within reserves. This was seen at Cote as between those who were engaged in agriculture and those who saw in land surrenders opportunities to obtain cash for urgent immediate needs.

Farming and ranching operations were typically run as household enterprises, rather than as band collectives. There were exceptions, such as the community pasture created by Poundmaker's band in opposition to government efforts to lease band lands. Band enterprises generated band funds. Land cessions also generated band funds. These funds were used for band affairs. They were utilized at the discretion of the agent to support the indigent and sick members of the band. They were used as well to equip band members who wished to take up farming. These uses of band funds were sometimes spelled out in land surrender documents.

In hunting and trapping and in cattle production, the Department made an estimate of the value of domestic production. It was not possible, however, to distinguish between the marketed and own-use portions of that product. In farming, ranching and hunting and trapping activities, the production functions for own-production and for market were the same in the same goods. The compatibility between for-use and for-exchange production functions may have been

a factor in the persistence of reserve economies which were not fully integrated with the market economy.

Decisions about which cash crops to produce were responsive to a variety of economic pressures such as the resource base, capitalization requirements and market opportunities. These accounted for the regional variation observed in the changing size and structure of Indian incomes in Saskatchewan over the first three decades of the twentieth century. The decisions, once made, sometimes had lasting consequences. Trapping livelihoods, for example, were hurt by falling fur prices and depleting fur and game resources. Farming livelihoods were affected by climatic conditions. Moreover, sustaining farming operations after the 1930s required substantial investments in mechanization and a larger land base than may have been afforded by remaining reserve lands.

Three major periods can be distinguished in terms of the sources of cash resources. During the first years when treaty trade dominated, the principal source of cash was annuity payments, which were supplemented by small marketable surpluses of agricultural produce and harvested fish, fur and game.

By the first years of the twentieth century, treaty payments were surpassed by earnings from marketed activities. Side by side with earnings from marketed

activities came considerable per capita sums from land surrenders. The bands who surrendered considerable lands were concentrated in the southeast of the province; bands in central and western Saskatchewan surrendered little land, and necessarily relied more heavily on marketed activities for cash. The immediate per capita payments from surrenders were sometimes invested in farming outfits, but most of the money was spent to meet urgent current needs. With the end of the first land surrender period in 1912, most money flowing into communities flowed through marketed activities.

Although the reserve household was a diversified economic organization, it could not avert the effects of the depression. In the poor market conditions of the 1930s, barter activities grew in significance, offsetting somewhat the sharp and continuing decline in earnings. The decline in earnings had destructive effects on the economic base of reserve households. Resources were inadequate to maintain people, machinery and fields.

The devastation wrought by the depression was apparently fatal to the economic organization which had been built up over the previous fifty years. Per capita incomes fell drastically; those who managed to maintain higher than average per capita incomes did so because of interest payments on previously surrendered lands. In some agencies, these came to make up half of earnings.

By the end of the 1930s, not only had incomes from market activities declined, but they were being overtaken by entitlement payments arising from annuities and trust funds. The period in which access to cash resources for participation in the market economy had been based on marketed activity had come to an end. Today, some elders look back on the period prior to World War II as one in which, despite the shame and abuses of government tutelage and paternalism, there had been pride in self-sufficiency. Drought in the 1920s and depression in the 1930s conspired to end that period.

The dependency of the Indian on government provisions which marked the early reserve period was not permanent. It was overcome at a cost of great hardship in the face of restrictive government policies. A period of growth and self-sufficiency was followed by a new period of dependency ushered in by the depression, which continued into the post World War II period.

The characterization of Indians as pauperized and marginalized from the outset and forever after does not reflect the actual course of events from 1870 through the 1930s. Indian reserve economies cannot be characterized merely in terms of a retreat in the face of western civilization. Indian reserve economies were, indeed, marginal from the point of view of the world capitalist

economy, and even of the wheat economy. But the evidence does not support the contention that Indian history in southern Saskatchewan ends with the extinction of the buffalo, or that that history is adequately told by representing it as a protest against government policies, much as those policies were protested and deserved protesting.

The fact that the fortunes of the reserve economy throughout much of this period moved with the fortunes of the Saskatchewan, Canadian and world economies showed that the reserve economy was intimately tied to the capitalist market economy. In characterizing the relationship between the reserve economy and the capitalist economic system, the idea of two modes of production within a single economic system has some explanatory power. The very persistence of reserve economies and Indian society shows that there were strong and durable characteristics of Indian socio-economic organization that defied assimilation.

The barriers between the Indian reserve economy and the market economy were maintained in part by the very government policies which had been announced for the purposes of encouraging assimilation. Non-Indian commercial interests also played a role in restricting Indian participation in markets. Racism was also evident in hiring practices in towns. These non-market barriers helped to

create and sustain a mode of production which included household-based production, diverse rather than specialized economic activities, a mix of production for market and for use in which production for market in agriculture gained increasing importance through the first two decades of the twentieth century.

Many reports stress that the success of Indian farmers was equal to or superior to that of their neighbours. There is no reason to doubt those reports. The story of immigrant settlement in the prairies was also a story of struggle, sometimes capped with success, sometimes with heartbreaking failure. When the situation of the Indian was compared to that of his neighbouring settler rather than to the national standard of living, the gap in standard of living was undoubtedly smaller.

Economic success in the first decades of the twentieth depended on increased production for markets. The very success of these endeavors also increased the vulnerability of the reserve economies to market conditions, setting the stage for devastating consequences for the reserve economy in the depression. Meanwhile, new developments in agriculture, including mechanization, increased farm size, and high capital requirements became insurmountable obstacles to reserve economies in the post world war II period.

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24. v.4022, f.283808-1A. Correspondence regarding sale of townplots in Lestock.
25. v.6706, f.121A-5-41. Correspondence regarding Lestock land sales.
26. v.6707, f.121A-5-41. Correspondence regarding Lestock land sale and surrender, including petitions of residents September 1912 and report of surrender request 1920.
27. v.7484, f.25001,pt.1. Scott to Meighen, March 10, 1919.
28. v.7484, f.25001,pt.1. "List showing unsold surrendered lands in Manitoba, Saskatchewan, Alberta and Ontario", attachment to Scott to Meighen, March 10, 1919.
29. v.6706, f.121A-5-41 1. Department memorandum on surrender request by Lestock residents.
30. v.7350, f.26001-1. Correspondence regarding Ochapowace surrender.
31. v.7354, f.26108-4. Correspondence regarding the transfer of lands to the Soldier Settlement board.
32. v.4053, f.379203-1 & -2. H.W. Mac Donald to the Secretary, Department of Indian Affairs, March 16, 1911.
33. v.4053, f.379203-1 & -2. J.D. McLean to H.W. Mac Donald, March 22, 1911; H.W. Mac Donald to the Secretary McLean, August 31, 1911.
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35. v.4036, f.314039-1. D.C. Scott to McLean, Aug. 18, 1908.
36. v.4036, f.314039-1. Chief Joe Cote and Band to Secretary McLean, July 12, 1909.
37. v.4036, f.314039-1. Agent Graham to Secretary McLean, April 22, 1909; McLean to Graham, May 7, 1909.
38. v.4015, f.273023-1. Agent Carruthers to Laird, January 25, 1904.
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40. v.3859, f.82250-1. Wadsworth's reports on his inspections of the Fort pelly Agency.
41. v.3893, f.96549. Wadsworth's reports on his inspection of the Sawn River Agency.
42. v.3859, f.82250-4. Correspondence and reports.
43. v.4036, f.314039-1. Agent Blewett to Secretary McLean, October 12, 1909; McLean to Blewett, October 30, 1909.
44. v.Acc.61M, f.1173-2-1A. Graham to Secretary McLean, January 14, 1911 [Black Acc. 61M1 box 443137, file 1173-2-1A]

45. v.Acc.61M, f.1173-2-1A. McLean to Graham, Jan. 20, 1911
46. v.3573, f.154.pt.2. Johnson Nelson, Surveyor, Report on land survey, Jan. 10, 1882.
47. v.3732, f.26623. Agent McDonald to Indian Commissioner, March 22, 1886, and other correspondence.
48. v.3732, f.26623. Laird to Secretary of the Department of Indian Affairs, May 6, 1902.
49. v.3793, f.46008. R.S. McKenzie to Commissioner Reed, January 31, 1888.
50. v.3793, f.46008. Reed to Superintendent General, February 13, 1888.
51. v.6663, f.109A-3-1. J.M. McTaggart to the Minister of the Interior, October 12, 1895; Secretary of the Department of the Interior to Reed, December 18, 1895; Reed to Forget, February 8, 1896.
52. v.6663, f.109A-1. E.L Newcombe to the Acting Secretary of the Department of Indian Affairs, May 14, 1897.
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57. v.3732, f.26623. Agent McDonald to Indian Commissioner, March 22, 1886.
58. v.4011, f.260260-2. Graham to Secretary McLean, April 22, 1907.
59. v.3736, f.27580. Laird to Secretary McLean, June 19, 1902.
60. v.3732, f.26623. Graham to Secretary McLean, February 12, 1907.
61. v.3732, f.26623. Various correspondence.
62. v.4011, f.260260-1. Laird to Pedley, Nov. 14, 1905.
63. v.4051, f.367277. File 367,277 Graham to D.C. Scott, April 18, 1918; McLean to Graham, May 21, 1918.
64. v.4011, f.260260-1. Frank Pedley to David Laird, December 4, 1905; McDougall to Superintendent General, February 12, 1907.
65. v.4011, f.260260-1. McDougall to Minister of the Interior and Superintendent General, October 11, 1905.
66. v.4039, f.329759. Secretary McLean to Blewett, Aug. 11, 1911.
67. v.4011, f.208590-1. Band to Department, April 8, 1907; McLean to Laird, April 23, 1907.
68. v.4001, f.208590-1. Petition, Assiniboine Band to Frank Oliver, March, 1909; Agent Donnelley to Deputy Superintendent General, December 2, 1914; Donnelley to Secretary McLean, February, 14, 1916.

69. v.4015, f.273023. Frank Pedley to Superintendent General, May, 16, 1904.
70. v.6708, f.121D-5-1. Petition, November 10, 1931.
71. v.4053, f.379203-2. Notes of representations made by delegation of Indians from the West, Jan. 24-28, 1911.
72. v.4051, f.367277. McLean to Murison, Dec. 14, 1914. McLean to Murison, February 19, 1915. Murison to McLean, February 9, 1915; Murison to McLean March 5, 1915.
73. v.4051, f.367277. Graham to Scott April 18, 1918.
74. v.4065, f.414209. Scott to Pedley, January 24, 1912.
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76. v.7770, f.27117-3. Graham to Secretary, May 21, 1909.
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79. v.4053, f.379203-1. Various correspondence.
80. v.7770, f.27117-2. McWhinney to McLean, February 26, 1913.
81. v.3736, f.27580. McKay to Laird, Nov. 12 and Dec. 29, 1902; McKay to Superintendent-general, March 3, 1903.
82. v.7770, f.27117-2. McWhinney to Scott, March 13, 1914.
83. v.3732, f.26623. McLean to Laird, Oct. 4, 1904.

84. v.3560, f.81-1. Carruthers to Laird Jan. 25, 1904.
85. v.7770, f.27117-2. McWhinney to Scott, March 13, 1914.
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90. v.4065, f.414209. Secretary McLean to Blewett, May 30, 1912.
91. v.7534, f.26108-4. Surrender Agreement, June 30, 1917.
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93. v.7770, f. 27117-2. McWhinney to Scott, March 13, 1914.
94. v.7484, f. 25001, pt.1, Scott to Meighen, Oct. 15, 1918.
95. v. 7524, f. 25102-3, vol. 1.
96. v. 7524, f. 25109-5.
97. v. 7524, f. 25102-3. McLean to Wilson, February 4, 1922.
98. v. 7484, f. 25001-1A, pt.1, Memo to Scott, April 5, 1924.
99. v. 7484, File 25000-101, pt. 1.
100. v. 7524, f. 25102-3. Graham, April 14, 1925.

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APPENDIX ONE

DUAL CHARACTERIZATIONS OF NATIVE ECONOMIES

Dual Characterizations of Indian Economies. This appendix reviews four major studies and one stylized account of northern Native communities which have examined the relationship between two economic orientations in Indian communities: a cash orientation and a "bush", "domestic" or "informal" orientation. The first two provide two very different characterizations of the economic system of the Mistassini Cree/Montagnais of northern Quebec. They illustrate two different approaches to understanding the process of economic change under contact with capitalism. The third describes the economy of the Slavey Indians, a Dene group. In a somewhat different vein, Dunning examines the significance of subsidies for hunting economies. Finally, Ross and Usher's (1986) stylized account of northern Native villages is considered.

Production for use vs. production for exchange. In her seminal 1954 monograph on hunting territories among the Montagnais of Quebec, Eleanor Leacock (1954) argued that the development of private ownership of specific resources arose in response to the fur trade. In particular, she linked differential property rights in resources to the motive of resource use. Access to resources hunted for the purpose of sale was restricted; while production for use, that is, for consumption by the hunter, was unrestricted. It thus

appeared that the development of hunting territories was linked to the fur trade, since it was in the fur trade that production for exchange developed. This work by Leacock struck a strong blow against the idea of aboriginality of the hunting territory, a proposition which had been argued by Frank Speck (1915) and John Cooper (1942).

Leacock examined changes in the structure of the Montagnais Band, and she linked these changes with "the increasing individualization of economic activity made possible, and necessary, by the fur trade - an individualization which in turn made possible, and to some extent necessary, the development of the family hunting territory." In particular, she described three phases in this development: (1) the period prior to "complete dependence on the fur trade"; (2) the period of incomplete adjustment to fur-trapping as the economically most important activity, and (3) the period of complete adaptation to the fur trade, differing only in the degree of reliance on country provisions and in the preservation of various cultural traits.

At the time of her field work Leacock suggested that there had been a more or less complete shift toward individualized trapping. Although trapping was an individualized activity, "shooting" (hunting game) remained a collective activity, governed by different rules of

distribution than trapping. The product of trapping was individually owned; and the money received for furs was equated with trapping. On the other hand, animals, including fur bearers which were shot rather than trapped were distributed equitably, or according to other principles usually implemented by the temporary head of the hunting party.

Thus, Leacock found a parallelism between trapping and money; and between "shooting" and production for direct consumption. Different attitudes toward the two sets of activities were found not only in the areas of distribution but also in work patterns and patterns of use of implements. "...a gun or canoe must be rented and paid for if it is to be used either for fur-trapping or indirect work for the whites on a salary basis. Even the smallest money transactions may be considered apart, and kept separate from the traditional reciprocal relations based on kinship and close friendship." (p. 34) Although Leacock noticed instances where the money economy had not completely imposed patterns of individualization on the community, for example, in the joint raiding of beaver lodges, she proposed that there was a trend towards a marked division of the Montagnais social organization into two compartments, characterized as "production for use" and "production for exchange", the former equated with the traditional the latter with the

money economy. For Leacock, the logical conclusion of this process of individualization in the "for exchange" sphere was the family hunting territory.

In a more recent article Leacock (1982) expressed her conclusions in this way: "the stockpiling of furs for trade slowly replaced individual dependency upon the group as a whole with individual dependencies on an outside market. Concomitantly, new economic ties were created within nuclear families, as wives and children became dependent upon men's returns from trapping." (p. 160) Drawing on an extensive literature on changes in Band societies after contact with colonialism, Leacock concludes that fragmentation of band societies into smaller co-residential units as small as the nuclear family is a commonplace consequence of contact. Thus, Leacock argues against attempts to ascribe "aboriginality" to features of Band societies today.*

The Bush Sector and Settlement Sector, Adrian Tanner (1979) challenged Leacock's conclusions, particularly with regard to the significance of differing land tenure rules, but more generally with regard to her suggestion that the

* Recent discussions about northern land tenure have gone beyond the aboriginality issue, to consider the "function and operation of hunting territories in postcontact Algonquian society, rather than their origin." (Tanner, 1986) For an anthology of contemporary views, see the special issue of *Anthropologica*, N.S., 18, 1-2, 1986: "Who Owns the Beaver? Northern Algonquian Land Tenure Reconsidered."

characteristic feature of the Misstassini Cree economy is the replacement or transformation of the mode of production from production for use to production for exchange.

First, Tanner noted that since both production for use and production for exchange are in fact organized within the same institutional framework, that of the hunting group, such a distinction between these orientations is inappropriate. More broadly, Tanner suggested that both processes are organized "within the same social framework by means of established social relations (1) between the hunting group members; (2) between the hunting group leaders, and (3) between the hunting group and the outside through the 'putting out' relationship with the Hudson's Bay Company. Hunting and trapping are thus best seen as constituting a single mode of production." (Tanner, 1979, p. 70) Tanner also found that while "theoretically" production for exchange may lead to limitless material needs which can only be fulfilled by increasing attention to production for exchange, and that the H.B.C. might wish to see such an increase in material needs, in fact, "under the debt system, production is geared towards only filling specific needs known in advance. The goods have in fact for the most part been already received before the productive process begins." (Tanner, 1979, p. 68)

Tanner found no evidence for the suggestion by Leacock that, among the Misstassini, group sharing has been weakened due to ties of exchange with the trader. In fact, Tanner found evidence of lack of "competitiveness" among individuals in trapping, but the existence of competitiveness among individuals in hunting for subsistence food.

The hunting group is the basic social formation in the bush sector of the economy; it is basic both to the trappers and hunters who belong to it, and it is also basic to the external agencies, such as fur trading factors, government resource management personnel, social agencies and others who regulate various aspects of the groups economic relations and set some external constraints on hunting group activity.

More important, then, than the division between production for use and production for exchange, is the division between the bush sector and the settlement sector. Within the settlement sector, Tanner found that European influences predominant; within the bush sector, the dominant relations are between hunters and nature. The bush and settlement sectors are described as "alternate social formations" between which Mistassini people move back and forth on a regular basis. There are some regularities in these formations. The majority of the population

participates in the bush sector in the winter and lives in the settlement in the summer. In the bush sector, activities are structured around subsistence needs and fur production for market. In the settlement sector, unlike the bush sector, daily activities are "shaped by the way cash income is obtained, through wage work, savings from winter fur production and government subsidies, and by the alternative ways for spending money." (p. 203)

This model suggests that the social formation of the Mistassini is, therefore, a "dual" economy in the sense that there exist within it two modes of production, two social formations, two systems of social relations, and two rhythms of daily activities - one set geared around the bush, the other around the settlement. Productive activities in the bush revolve around the killing of animals; in the settlement, productive activities revolve around obtaining cash.

These two modes of production are not mutually exclusive, but rather interpenetrate one another. The market economy is required to support winter hunting - through supplying provisions. The summer period is not exclusively a period of "cash"-based activities - preparations are made for winter, fishing and other productive activities are carried out, and so on.

Tanner estimated (1) the extent of subsistence food produced in bush, compared to purchased food - an annual average of 73% to 27% - (Tanner, 1979, p. 54) and (2) the size and source of cash income (1969-1970). For the two hunting groups observed, 42% and 48% of total cash incomes was accounted for by fur; an equivalent amount by government transfer payments - family allowance, pensions and welfare - and about 15% by wages. The average annual cash income per adult was approximately \$1120 - \$862 in a group with six adults, and \$1182 in a group with 25 adults. (Tanner, 1979, p. 61)

Tanner made a couple of provocative suggestions on the usefulness of this model for examining stability and change in other subarctic Indian communities. He suggested that the continued existence of a viable bush sector depends upon certain conditions, which if not maintained would lead to the "collapse and transformation of the bush sector, as has already happened in other northern native communities." These conditions include ecological, economic and ideological factors. In Mistassini, factors were noted which tended to dampen the strengthening of the settlement sector relative to the bush sector.

The persistence of the "transformational" mode of production of the Mistassini which emerged as a mode of production distinct from either the aboriginal or dominant

capitalist society among the Mistassini is explained by Tanner as due to a balance among conflicting social and economic forces including the "conflict between the demands of hunting and trapping"; "the relationship between Indian hunters and the Hudson's Bay Company...", the conflict "between the Indians and the Provincial Game Department...", conflicts arising from the "exchange of hunting privileges with other groups", and from "generalized exchange, using subsistence products, with relative residing at Mistassini Post." (Tanner, 1979, p. 69) The preservation of the features of the hunting economy of the Mistassini can admit of a number of adaptations to changed economic and ecological factors within limits; changes which go beyond these limitations could, Tanner predicts, lead to the destabilization and eventual elimination of the Mistassini's mode of production.

Bush Subsistence Sector and Cash-trade Goods Sector.

Michael Asch (1976, 1979, 1979b), writing about the Dene grouping known as Slavey Indians, distinguishes between the bush subsistence sector and the "cash-trade goods sector" (1979b, p. 343). Each are characterized as modes of production (the latter equated with the capitalist mode of production). Trade-goods could only be obtained by participating in the capitalist economy. Asch described the Slavey economic system as composed of two co-existing modes

of production, a system which consisted "in theory, of two independent economic structures." (1979b, p. 343)

Asch traced the historical development of this economic structure; the pre-fur trade economy is described as one which was a single mode of production, consisting of a single "sector", the "subsistence bush sector." With the fur trade came (1) a new mode of production, capitalism, in which the Dene participated as small-scale commodity producers, and (2) a new economic sector, which Asch calls the "cash-trade goods sector." (1979b, p. 343)

Asch noted three necessary elements for these two modes of production and sectors to co-exist: (1) the main access to the cash-trade goods sector was through goods produced in typical fashion in the bush-subsistence sector. "The use of furs as the exchange commodity meant that they did not need to separate the economic activities necessary to participate in the cash-trade goods sector from activities needed for their continued participation in the bush-subsistence sector"; (2) furs provide sufficient money to fulfill trade good needs as well as profits for traders; and (3) the merchant-based character of the fur trade organization did not tend to encourage reorganization of the production process of furs (1979b, p. 344).

Asch explained the transformation in the articulation of the Dene and capitalist economies by changes in these

factors. Changing economic conditions after World War II had a dramatic impact. Fur prices fell; the prices of trade goods rose. As a result, it was no longer possible for the Dene to meet their cash-trade goods needs exclusively through the fur trade. There had to be new sources of cash. These came in the form of family allowances and pensions, and later welfare. Asch found that these did not induce marked changes in orientation and structure of economic activities.

A factor which did significantly change economic orientation was government policy. In the 1950s, the federal government embarked on a policy of "directed culture change" by establishing a town sector, with cash sources tied to adoption of the town life. (1979b, p. 345)

The institutional framework of town life, and the requirements and conditions for participation in the cash sector on an increasing scale led to changes in Dene social life. Asch noted that increasing numbers of individuals are working for wages; others received welfare payments. These were made on an individual or nuclear family basis. The strengthening of the nuclear family, and the individualization of payments began to create invidious distinctions between rich and poor while breaking down the institutional mechanisms for mutual sharing, an ideological

feature of the bush subsistence sector (Asch, 1979b). Asch concluded:

Dene economic life is still oriented around renewable resource collection activities within an institutional framework dominated by the economic rationale of mutual sharing. However, because of the decline of the fur trade, they are now forced to participate in the capitalist mode of production in ways that challenge and could ultimately undermine that way of life. (p.347)

Based on his assessment of the conflicting forces impinging on the Dene way of life, Asch then proposes economic policy options which might permit the viable operation of the renewable resource sector for the foreseeable future "without simultaneously undermining the institutions and economic rationale of the Dene bush mode of production. (Asch, 1979b, p. 347)

Subsidies for Hunting Economies. Dunning (1959), in a study of social and economic change among the Northern Ojibwa emphasized the importance of transfer payments, or subsidies. Despite very limited contact with external agents and institutions, Dunning noted substantial "acculturation" which he attributed to economic causes. In particular, the move from a trapping economy, and then to enlarged government subsidies led to widespread changes. These changes have affected the sociological, ideological, cultural and other spheres. Traditional leadership and authority were undermined. Larger residential groups led to increased social conflict. As well, town life has decreased

contact with neighboring bands, leading to an insular and closed social organization.

The greatest significance in the process described by Dunning is placed on the role of government subsidies. Writing in 1959, and based upon statistics and field work in the mid-1950s, Dunning found that government subsidies had come to make up more than 40% of total income in bands.

Dunning stressed the "importance of a subsidy to a hunting and collecting society" as a key factor for the operation of such an economy (Dunning, 1959).

Formal and Informal Economy. Ross and Usher (1986) presented a stylized account of northern Inuit and Indian "village economies." The framework of their stylized account suggests an economy divided between formal economy (money/market activity) and informal economy (traditional pursuits, non-marketed activities). They stress the co-existence of important traditional pursuits which provide a high proportion of household food requirements, and an important cash sector. They describe a complex economy:

Elements of pre-industrial or petty commodity production -- self-employment, household production, non-market exchange -- are combined with wage labour, transfer payments and small business in a pluralistic seasonal economy. (p. 142)

Two economies of the North are identified: the industrial and the Native or village economy. The industrial economy in the North consists of government, corporate and

resident small business sectors; the Native economy of two sectors - a domestic and an exchange sector. In the Native economy, two sets of rules of distribution are noted, an egalitarian one for domestic produce, another for money incomes (although it is noted that these also tend to be shared around the community). A characteristic of this economy is "chronic shortage of cash." (p.144)

Ross and Usher then analyze the interconnections between these two economies. The Native economy is linked to the industrial economy (1) through exchange, with goods needed both for consumption and for household capital goods, and (2) through the resource base, as conflicts have arisen between traditional and industrial resource utilization strategies.

The informal and formal sectors of the Native economy (roughly equivalent to the domestic and exchange sectors) are not conceptualized as independent compartments; usually each household participates in both.

A typical Native household in a small community has several streams of income...Not only are most household members contributing outside income; most also participate in the domestic economy of the household.
(p.147)

Ross and Usher argue that the village economy is increasingly vulnerable to the industrial economy. It is difficult to capitalize activities adequately; market fluctuations introduce instability; government policies may

destabilize the community; intrusion of resource companies upsets the resource base for traditional activities.

The greater the interaction between the societies (or more particularly, the greater the penetration and influence of the dominant society), the more vulnerable the village economy becomes. (p. 148)

The increasingly complex economy creates problems of managing the diverse production activities of the household effectively, in order to obtain the necessary cash and maintain traditional activities.

A problem confronting households is the growth of obligations in the money sector, which creates an increased need for money resources. This tends to reinforce a cash orientation at the expense of for-use, domestic production. But the growing cash orientation increased the vulnerability of the household and its village economy to outside forces - such as volatility in markets and in the availability of income-earning opportunities.

APPENDIX TWO

THE INDIAN ACT, LAND SURRENDER, LAND MANAGEMENT AND INDIAN MONEYS

The Legal Process of Land Surrender. Legal authority for government policy with respect to Indians is found in the Indian Act. The Indian Act was first enacted in 1876, amending and consolidating previous laws related to Indians. The Act was revised in 1879. A new Act was enacted in 1880; it was revised on several occasions. Revised Statutes of Canada appeared in 1886, 1906 and 1927, each being amended several times.

Three areas of the Indian Act are of particular interest with respect to surrenders: (1) sections relating to the process of land surrender; (2) sections related to the management and sale of Indian lands by the Department; and (3) sections related to the management and expenditure of monies raised from sales of land.

Surrender. Section 38 of the 1886 Indian Act (R.S.C. 1886, c. 43) forbade the sale, alienation or leasing of a reserve, in whole or part, until it had been "released or surrendered to the Crown", except for leasing lands to which certain classes of Indians are entitled: the aged, sick, and infirm; widows or children without a guardian; Indians working in a learned profession off-reserve. An 1895 amendment broadened the authority of the Department to lease lands, providing that "the superintendent general may lease,

for the benefit of any Indian, upon his application for that purpose, the land to which he is entitled without the same being released or surrendered" (S.C. 1895, c. 35, s. 1). In 1898, the authority of the Department was extended the right of the Department, with the land being surrendered, to "dispose to the best advantage, in the interests of the Indians, of wild grass and dead or fallen timber" (S.C. 1898, c. 34, s.2). This let the Department issue permits to non-Indians persons to harvest wild hay on Indian reserves. Sections on timber lands (R.S.C. 1886, c. 43, s. 53 - 68) spelled out the terms on which the Department could issue timber cutting permits on Indian lands without surrender.

A valid and binding release or surrender of a reserve in whole or part had to meet the conditions laid out in section 39. These included:

- (1) assent "by a majority of the male members of the band," aged 21 or older,
- (2) "at a meeting or council summoned for that purpose",
- (3) "held in the presence of the Superintendent General, or of an officer duly authorized to attend such council";
- (4) "but no Indian shall be entitled to vote or be present at such council unless he habitually resides on or near and is interested in the reserve in question."
- (5) Proof of assent must be sworn by the Superintendent-General or the duly authorized official, "before some judge of a superior, country or district court, or stipendiary magistrate",
- (6) a similar oath "by some one of the chiefs or principal men present thereat and entitled to vote". Finally, the surrender or release does not come into effect until

approved by Order-in-Council." In 1898, the act was amended to make clear that oaths by some one of the chiefs or principal men would also be sworn before the judge or magistrate (S.C. 1898, c. 34, s. 3). In 1891, the Act was amended to provide for these oaths to be made before the Indian Commissioner or another person or officer authorized by the Governor in Council (S.C. 1891, c. 30, s2).

Section 40 ensured that the surrender of reserve could be made only to the Crown.

Some provisions allowed the Department to expropriate or lease Indian lands without surrender. Most important for this time period was the 1918 Order-in-Council under the War Measures Act permitting the seizure of Indian lands for use in the Greater Production scheme to increase agricultural output for the war effort. In a 1911 amendment to the Act (S.C. 1911, c. 14, s.2) the government was granted powers to remove Indians from a reserve or any part of it if the reserve "adjoins or situated wholly or partly within an incorporated town or city having a population of not less than eight thousand", even when the land had not been released or surrendered. Once the Indians were removed, the law provided for the subsequent sale of the lands, with revenues used to resettle the Indians. In 1906, section 46 of the Act provided for expropriation of portions of reserves for purposes of railways, roads and public works by Order in Council, with compensation (R.S.C. 1906, c. 81, s. 46). In 1911, this was amended to permit the Minister to take lands for public purposes as in "ordinary cases" of

expropriation by municipal, local, provincial or Dominion authorities (S.C. 1911, c. 14, s. 1).

An 1895 amendment with respect to the surrender of Indian lands were significant in at least three surrenders in Saskatchewan, the 1897 Chacastapasin surrender and the 1906 Leech Lake Surrender, and the 1907 Fishing Lake (Yellow Quill) Surrender. Section 140 (added by S.C. 1895, c. 35, s. 8) provided that when an Indian is admitted to another band, with the assent of the superintendent general, the person foregoes all interest in the lands or moneys of the band to which he formally belonged. The act provided that the superintendent general could cause to transfer the person's per capita share of capital from his former band to the credit of the new band.

Management and Sale of Indian Lands. Sections 42-53 of the 1886 act deal with the "sale and transfer of land in reserves." These sections dealt primarily with the process of registration of sold lands, the issuing of patents, seizure of lands for unpaid taxes, enforcing payments of rent due to the Crown on leased land. Section 46 permitted the Superintendent-General to cancel any sale or lease where the conditions of sale have not been adhered to by the purchaser or lessee (R.S.C. 1886, c. 46). These provisions remained substantially in force in the 1906 legislation.

However, powers were also conferred in 1895 to permit the government to reduce purchase and lease prices after the fact, rather than to re-claim lands for non-payment. By section 141, added in 1895 (S.C. 1895, c. 35, s. 8), the purchase money due on the sales of Indian land and the interest due on such moneys, and rental fees for leased lands, could be reduced by Order-in-Council where the price or rent is considered "excessive". The section retroactively confirmed all such reductions prior to the enactment of the amendment. A proviso also required the government to submit an annual return to Parliament of all such reductions and remissions. These provisions were continued in forces in the 1906 statute.

In 1919, the 1906 Act was amended to incorporate soldier settlement. The amendment provided that the Superintendent General of the Department would administer the Soldier Settlement Act with respect to Indian veterans. The Deputy Superintendent General was empowered to acquire for such Indian "settlers" land within and without Indian reserves. He was empowered "to grant... a location ticket to common lands of the band without the consent of the Council of the band..." (S.C. 1919, c. 56, s. 3). In 1922 a clarification of a 1919 provision was made. The provision had authorized the taking of the land as security. The amendment ensured that the land would not be alienated by the band if the

Indian settler defaulted: "it shall...be only the individual Indian interest in such lands that is being acquired or given as security, and the interest of the band in such lands shall not be in any way affected by such transactions" (S.C. 1922, c. 26, s. 2).

Management of Indian Moneys. The management of Indian moneys was covered in sections 69 to 74. Moneys raised from sale were to be paid to the Minister of Finance to the credit of the Indian Fund (R.S.C., 1886, c. 43, s. 71; R.S.C., 1906, c. 81, s. 71).

Regarding the use of such funds, Section 70 stated:

The Governor in Council may, subject to the provisions of this Act, direct how, and in what manner, and by whom, the moneys arising from sales of Indian lands, and from the property held or to be held in trust for the Indians or from any timber on Indians lands or reserves, or from any other source, for the benefit of Indians, (with the exception of any sum, not exceeding ten percent, of the proceeds of any lands, timber or property, which is agreed at the time of the surrender to be paid to the members of the band interested therein) shall be invested, from time to time, and how the payments or assistance to which the Indians are entitle shall be made or given, -- and may provide for the general management of such moneys and direct what percentage or proportion thereof shall be set apart, from time to time, to cover the cost of and incidental to the management of reserves, lands, property and moneys under the provisions of this Act, and for the construction or repair of roads passing through such reserves or lands, and by way of contribution to schools attended by Indians." (R.S.C. 1886, c. 43, s. 70).

The most important amendment was made in 1906, with the explicit aim of encouraging Indians to make surrenders (Canada, Hansard, June 15, 1906. Re: New legislation

covering land surrenders including information on specific reserves.) That amendment changed the maximum amount of the sale value which could be distributed to Indians at the time of surrender from 10% to 50%. (S.C. 1906, c. 20, s.1) The government attested to the value of this provision in securing desired surrenders. (Canada, Hansard, March 18, 1907, details of Surrenders of Saskatchewan Reserves; April 20, 1907, details of Nipissing surrender). The 1906 statute altered the section slightly, allowing a maximum cash payout of ten percent of proceeds of sale of timber or property other than land (R.S.C. 1906, c. 81, s. 89). In 1919, this was revised to restore a maximum 50% cash payout on the sale of timber and other property, as well as land (S.C. 1919, c. 56, s.2).

The other amendments prior to 1906 changed the wording slightly, and expanded the categories of eligible expenditures to include the construction of school buildings (S.C. 1895, c. 35, s.2), land surveys and "compensation to Indians for improvements or any interest they have in lands taken from them" (S.C. 1898, c. 34, s. 6) and for the repair of school buildings, and construction and repair of "charitable institutions" (S.C. 1906, c. 20, s. 1). These remained in effect in the 1906 statute. In 1926, an amendment permitted the Minister to direct the expenditure of a capital fund, not in excess of \$2,000, "for any purpose

which may be deemed to be for the general welfare of the band" (S.C. 1926-27, c. 32, s. 1).

The 1906 Act authorized other classes of capital expenditures with band consent, including the purchase of lands to add to a reserve, the purchase of cattle for the band, the construction of permanent improvements and other expenditures which constitute capital (R.S.C. 1906, c. 81, s. 90). The 1924 revision of section 90 added the purchase of implements or machinery for the band, and included a provision for making loans to members up to amount equal to "one-half of the appraised value of the interest of the borrower in the lands held by him" (S.C. 1924, c. 47, s. 5). In 1918, in the context of the Greater Production scheme, this section was revised to permit the Superintendent General to consent to the expenditure of moneys for these purposes without the consent of the band, if the refusal is deemed "detrimental to the progress or welfare of the band." The same amendment permitted the Superintendent to grant a lease of Indian lands, or employ persons to put such lands to use at his pleasure, for agricultural or grazing purposes without band consent where a band or individual neglects or is unable to cultivate the land. Band capital could be expended on the improvement of these lands, which may (not shall) be deducted from the rental due for leased lands (S.C. 1918, c. 26, s. 4).

In addition to capital expenditures as outlined in section 70, the Act also permitted the expenditure of band funds for provisions for the destitute and ill:

The Superintendent General may, whenever sick or disabled, or aged or destitute Indians are not provided for by the band of which they are members, furnish sufficient aid from the funds of the band for the relief of such sick, disabled, aged or destitute Indians (R.S.C. 1886, c. 43, s. 74).