

Cash Back

A Yellowhead Institute Red Paper

MAY 2021



EXECUTIVE SUMMARY

AT THE END OF 2019, the Yellowhead Institute began the process of developing our second Red Paper on the topic of “Cash Back.” We welcomed over 20 Indigenous leaders and thinkers, as well as allies, for a two-day workshop on the sources of poverty in Indigenous communities. We also imagined models for new financial relationships and discussed the basis of Indigenous economies. The workshop focused on First Nation-Crown financial relations for the most part, but more deeply on systemic problems with funding issues stemming from loss of jurisdiction and colonization, including the incredible power this gave the federal government to control First Nation communities.

Linking to Yellowhead’s inaugural Red Paper from 2019, *Land Back*, we asked how dispossession became a “fiscal” problem. One year later, we met again, joined by Yellowhead’s Board of Advisors, to review a draft of the report. We were encouraged to push it further: provide better sightlines to Indigenous economies and wealth — from past to present to future — and clearly mark the barriers to overcome.

The outcome of these workshops shaped the research direction and elements of the report, which has been divided into three key sections:

PART ONE

How Canada Got its Economy:
A History of Economic Dispossession

PART TWO

Colonialism as Fiscal Policy:
Following the Money

PART THREE

How to Get that Cash Back:
Redress, Compensation, and Restitution

PART ONE

How Canada Got Its Economy: A History of Economic Dispossession

Canada formed from the cooling lava of European competition for land and resources. The Europeans “explored” the world and planted their flags according to a law they claimed was universal — the doctrine of discovery. This doctrine was based on the Pope’s claim to rule the earth under the kingdom of Christianity. It is a racist dogma/belief related to the concept of terra nullius, or “no one’s land,” that depicted Indigenous occupation as savage, uncivilized, and lacking a sense of territory and system of governance. European nations, like the British, and successor states like Canada each developed their own versions of the doctrine as it suited them to wield against the authority of Indigenous nations.

This was how Rupert’s Land came to be claimed by the Hudson’s Bay Company (HBC): the King of England granted a royal charter to the company in 1670 and at least a third of what would become “Canada” was suddenly owned by English shareholders. But this ownership was as real as a sandcastle. These were the lands of the Inuit, Oji-Cree, Cree, Anishinaabe, Innu, Inuit, Métis, Gwich’in, and others. They were never settled or subject to treaty when Canada bought Rupert’s Land in 1869. It was a swindle of epic proportions.

In Part One, we examine new legislation introduced in the wake of this sale to expropriate Indigenous lands for colonization companies, railroads, and settlement. We also show how the *Indian Act* and treaty negotiations worked in brutal counterpoint to subjugate, criminalize, and pacify Indigenous resistance to this theft.

We shine a light on how money flowed from First Nations to the Crown coffers in the form of the Indian Trust Fund, in a circuit that Nehiyaw researcher Robert Houle calls “reverse laundering” — instead of cleaning the funds through the Trust, it dirtied the cash through land sales and forcing First Nations to pay their own treaty annuities. We explore: where are these funds today and what have they been used for?

What we have tried to show here is a glimpse of how Canada got its economy through theft, how colonialism has been reframed as fiscal policy, and how Indigenous livelihoods can be protected and thrive even in the face of state deprivations and violence.

Canada was *capitalized* by a land grab that transformed the economy. By *capitalized*, we mean that Canada did not own the lands and resources that it sold and continues to lease, license, and permit away. But it uses the claim to hold the underlying title to the country to fill its coffers.

We argue that the original model for colonization in Canada is repeated across the country on a daily basis. The HBC was a gift from the King to a group of investors to secure land for England. How is that so different from the permits, approvals, and massive subsidies granted to TC Energy's Coastal Gaslink (CGL) pipeline that asserts provincial authority on unceded Indigenous (Wet'suwet'en) lands?

We conclude this section by looking at how Indigenous economies were badly affected by rapid industrialization and development, while systemic barriers arose to impede Indigenous participation in the Canadian economy.

PART TWO

Colonialism as Fiscal Policy: Following the Money

In Part Two, we cover examples for how Canada became "self-supporting" as a settler colony through the theft of Indigenous lands, resources, and territories. But how does Canada maintain the theft? How does Canada manage it?

In Part Two of this report, we look at the ways that dispossession led to dependency — making the fiscal relationship between the Crown and First Nations a key lever of colonization through the power of money to control. This continual denial of inherent Indigenous jurisdiction results in most Bands in Canada having to rely almost exclusively on federal transfer payments to survive.

Since the Department refuses to release the reigns of financial control, a system of racial inequality has developed between Canadians and First Nations. Instead of addressing the trifecta of underlying issues — dispossession, insufficient funding, lack of First Nation control — Canada continues to double down on administrative solutions, tinkering with the funding policies and refusing to link these to political discussion of treaty obligations, reparations, and inherent rights. All of this is despite consistent and ongoing political organizing by First Nations who have always fought for self-determination over welfare policies.

Here, we look at four specific ways that Canada maintains colonization through the "fiscal relationship," i.e. you need to *follow the money* across these policies: 1. Welfare; 2. Devolution; 3. Austerity; 4. Finger Pointing. We spotlight education as a case study of Canada's failure to provide the necessities of life, thus creating deeper cycles of poverty and predatory conditions, particularly for women, girls, 2SLGBTQQIA, and non-binary people. Finally, we ask where to look for

recourse and what barriers must be brought down to make meaningful change.

PART THREE

How to Get That Cash Back: Redress, Compensation, and Restitution

In this section, we examine different forms of reparations to address the colonial fiscal relationship between Canada and First Nations. So much persists under the weight of the fiscal relationship. Historically, Indigenous economies have swum upstream against the tides of settler colonial capitalism. Where livelihoods have been damaged or destroyed, in every community, there are people who continue to do the hard work of restoration.

In *Land Back*, we set out to study the proliferation of present-day forms of dispossession and the reclamation efforts of communities to reverse them. Here, in *Cash Back*, we set out to examine the transformation of Indigenous wealth into a cradle-to-grave welfare system by Canada. Now we want to explore the multiple forms of redress, restitution, and compensation that Indigenous peoples are pursuing across the country to restore Indigenous economies.

Here, we focus on Indigenous economies of care that seek to restore what Anishinaabe scholar Eva Jewell refers to as “Indigenous relationality and stewardship principles.”¹⁹ Through an engagement with thinkers and leaders on Indigenous economic restoration, we have developed three principles of *Cash Back* that we explore in Part Three:

Redress for suppression of Indigenous institutions that affirm Indigenous values and culture.

Compensation for land theft based on principles of Indigenous law and mechanisms of justice.

Restitution of Indigenous economies that challenge the exploitation of global capitalism.

In this section of *Cash Back*, we examine different forms of reparations to address the colonial fiscal relations between Canada and Indigenous peoples, taking into account the principles of redress, compensation, and restitution as discussed above.

These forms of reparations run the gamut of strategies: they involve direct infusions of cash, from the redistribution of a wealth tax to printing money, from the Spirit Bear Plan to treaty-based funding. They involve new forms of Indigenous economic rights, from Indigenous accounting to the economic leverage of Aboriginal title to human rights approaches like Jordan’s Principle. And they involve deep structural change, from an Indigenous-led transition to energy sustainability to police abolition and new oversight mechanisms controlled by Indigenous nations.

CONCLUSION

We have only begun to scratch the surface in this report on the financial and economic aspects of colonization in Canada. We have not examined Canada’s imperialistic position in the world or covered in detail many regions throughout this country, and it would take many more years of research to represent the diversity of Indigenous economies across these lands.

What we have tried to show here, instead, is a glimpse of how Canada got its economy through theft, how colonialism has been reframed as fiscal policy, and how Indigenous livelihoods can be protected and thrive even in the face of state deprivations and violence.

In opposition to the “free handouts” stereotypes — the idea that somehow First Nations are pampered and privileged — is a much darker reality. In fact, First Nations face a *predatory* environment of interconnected forms of violence, as Pitawatakwat describes in Part Three, due to systemic impoverishment. First Nations have been denied even a fraction of what they have contributed to this nation’s wealth.

Restoring Indigenous economies will mean centring the perspectives of those most impacted by colonization and the attacks on Indigenous livelihoods. It will mean reclaiming the language for “sharing” in dozens of Indigenous tongues. It will mean recognizing that Indigenous inherent rights do not stop at the boundaries of the reserve. It will mean holding up the mirror to a beastly world of self-destruction, guiding it forward through the fire.



Visit cashback.yellowheadinstitute.org
for an interactive Cash Back experience.

The Cash Back site includes special features in a variety of formats including accessible comics, factsheets and videos on topics related to Cash Back.