Indian Moneys, Legislation, and the **1951 Indian Act Amendments**

Learn more in Part One, How Canada Got its Economy, Cash Back: A Yellowhead Institute Red Paper

INDIAN TRUST FUND

During this time, Indian Moneys were held in a distinct account. While there were policy changes with regards to how funds were used, the moneys were held separate from Canadian funds.

Community Development Indian Oil and Gas Act 1880 - 1914 Pre 1867 1930 **Program/White Paper** (IOGA) Indian Act Pre-Natural Resources Offloading of fiscal responsibilities IOGA establishes royalties and Amendments Confederation Transfer Act and while eliminating status through Indian Act **Treaties** Governor General Indian Fund White paper would transform reserves into municipalities. given powers to use The federal government The Indian Fund Amendment Indian Fund to pay is established. The transfers resources to and Financial for needs on behalf of fund includes the provinces, but retains **Administration Act** Indians (i.e. teacher reserve lands in trust Indian Trust, Indian salaries, capital costs An amendment to the Savings and Land of the crown. 1988 1982 and provisions). Indian Act moves the Management Fund. **Constitution Act** Indian Fund to be held within the Consolidated Section 35 recognizes Aboriginal and Treaty Rights, which includes Revenue Fund as moneys and access to moneys. Capital and Revenue. 1931 1876 1867 IA funding surpasses \$1B. This shift happens as Consolidated Indian Acts Indian Act amendments **British North** Consolidated Revenue and introduce new status America Act and registration rules, Audit Act Sections 58 - 60 Consolidated Revenue increasing control over 2015 2005 Places funds for a establish that the Fund established for First Nation governance special purpose or Indian Fund be held **First Nations Financial** the funding of Canada and monies and erasing Trust under the purview separately. Management Act reference to Treaty. of the Auditor General. Financial management of Indian The Indian Fund Moneys is offloaded to First remains separate.

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revenues from Oil and Gas to belong to the crown on behalf of Indians. The trust balloons to over \$1B.

1974

Kamloops Amendment

Indian Act amended to allow for taxation on-reserve; this paves the way for First Nations to begin generating revenue through property taxes.

New Fiscal Relationship

Bands provided with 10-year grants at traditional amounts to encourage partnership in mechanisms like the First Nations Finance Authority (FNFA).

CONSOLIDATED REVENUE FUND (CRF)

BAND FUNDS

Funds are now connected to Indian status and band membership instead of to descendants of Treaty signatories.

Pre-1867

Nation organizations.

Indian Act Amendment and Financial Administration Act

An amendment to the Indian Act moves the Indian Fund to be held within the Consolidated Revenue Fund as Capital and Revenue. This shift happens as *Indian Act* amendments introduce new status and registration rules, increasing control over First Nation governance and moneys and erasing reference to Treaty.

What happened in 1951?

Changes to the *Indian Act* in 1951 aimed to modernize and normalize new kinds of power in the governance of Indigenous peoples.

A centralized Indian Registry was introduced that empowered federal authorities to control First Nations through status, which was now fused to band membership, as well, through a registration requirement.

There is evidence that a number of factors contributed to the shift in "Indian" identification in 1951, all of which had financial implications.

One factor was the absolute mess Indian Affairs was keeping of the treaty records and the amount of fraud

and theft underway by Indian Agents of the government. Historian John Leslie writes that officials were at a loss of how to expand social services without clear records on Indian status and eligibility. The new definition and registry brought in through the amendments was "tied directly to an administrative initiative."¹ The centralized registry also now controlled Treaty annuity payments.

Another factor was that the 1951 *Indian Act* became more strict with regard to Indianness as a result of an adoption case. According to Métis scholar Allyson Stevenson, the Francis case angered officials when a Métis child became Indian through adoption. This travesty (to officials), "called into question the gendered and racialized parameters used to restrict band membership."²

The amendments doubled down on gender and racial discrimination by legislating the exclusion of status to women who "married out" and to their children.

Finally, the requirement for band membership and rigid control over status were connected to the attempted erasure of the Métis. Métis were already being removed from Treaty rolls prior to the 1951 amendments, though their "Indian blood" provided them certain provisions. Without membership on reserves, only the discretion of the department could keep them "Indian."

The Indian Trust Fund also moved at this conjuncture under the Consolidated Revenue Fund — the big slush fund of Canadian revenues. This meant that the descendants of Treaty signatories were now submerged into a new fiscal state by virtue of their status, not by the terms of the nationto-nation relationship assured in Treaty. The CRF was an attempt to move Treaty partners one step closer to assimilation. The 1951 change in language from Indian Fund to Band Fund, marked a shift from First Nations as Treaty signatories to Band Indians, as defined by the *Indian Act*.



AN IMAGE OF TREATY 8³



IMAGES OF A LAMINATED CERTIFICATE OF INDIAN STATUS STATUS CARD⁴

¹ "Assimilation, Integration or Termination? The Development of Canadian Indian Policy, 1943-1963," Dissertation, Carleton University, March 1999.

³ Laird, David, McKenna, James Andrew Joseph, and Ross, James Hamilton, Treaty No. 8 (1899 June 21), Treaty no. 8, 1899, presentation copy of the original, 50 x 71 cm, University of Alberta Library Internet Archive collection, https://archive.org/details/treatyno800unse/ mode/2up ² The Adoption of Frances T: Blood, Belonging, and Aboriginal Transracial Adoption in Twentieth-Century Canada Allyson Stevenson, *Canadian Journal of History / Annales canadiennes d'histoire* 50.3 6 2015, p. 475.

Learn More: cashback.yellowheadinstitute.org/indiantrustfund

This factsheet was researched and authored by Robert Houle and Shiri Pasternak, with Damien Lee; produced and designed by Yumi Numata.

⁴ Ontario Ministry of Finance, Laminated Certificate of Indian Status, 2008, back of laminated Certificated of Indian Status card, 8.5 x 5.5 cm, Government of Ontario website, https://www. fin.gov.on.ca/en/taxtips/rst/02.html