

A SHORT HISTORY OF CANADA ACTIVELY AVOIDING RESPONSIBILITY

Service Devolution & Fiscal Federalism



Learn more in Part Two, Colonialism as Fiscal Policy,
Cash Back: A Yellowhead Institute Red Paper cashback.yellowheadinstitute.org

1947

Expansion of government social programs to First Nations

Head of the Welfare Section of Indian Affairs states, "It is the policy of the Branch to assist Indians to be self-supporting rather than issue direct relief. As a result, the scale of relief supplied to able-bodied Indians must err on the parsimonious rather than on the generous side."

1964

Treasury Board of Canada formalizes social assistance on reserves

A national survey shows that "the Indian Affairs Branch scale of food assistance is inadequate in over 150 communities throughout Canada."

By 1966

Special commissions are already suggesting exit strategies to the remediation efforts proposed earlier in the decade.

The Hawthorn Report advocates for new social programs and services to be provided by provinces until each First Nation individual is integrated into Canadian society.

1969-1970

Rejection of the White Paper

The 1969 policy report advocates for an end to all federal service delivery to reserves. Its rejection by First Nations leads to an increase in spending programs, but leads to little improvement. No rights to economic benefits from treaty and traditional lands are recognized, the focus is on social assistance rather than economic development.

1980's

"The Buffalo Jump"

Proposed government budget reveals plans to transfer most federal responsibilities for First Nations to the provinces and Bands; it recommends a bigger role for the private sector in on-reserve service delivery and user-pay programs; also devises plan to expedite reserve obsolescence or transform them into municipalities.

1986

Indian Affairs is granted authority by the Treasury Board to "devolve, over time, to the greatest extent possible...its programs and services to Indian people."

In response, funding arrangements change in the 1980s and Indian Affairs is restructured in the mould of a funding agency. Band councils become like local branches of Indian Affairs as the Department of Indian Affairs and Northern Development moves from direct delivery of most services on reserves to a system of First Nations service delivery through new "devolved" contribution agreement funding to band councils.

1995

"Bloodbath Budget"

2 percent funding cap on First Nations spending.

Inherent Right Policy

The Government of Canada recognizes that Indigenous peoples have an inherent right to self-government (protected under section 35 of the Constitution Act, 1982), but that "financing self-government is a shared responsibility among federal, provincial and territorial governments, and Aboriginal governments and institutions."

2018

"A New Fiscal Relationship"

The Government of Canada with the Assembly of First Nations, initiates consultations to ensure sufficient, predictable and sustained funding for First Nations governments. The 2 percent funding cap is lifted but most new money is for administrative capacity building.

2016

"Canada's Fiscal Approach for Self-Government Arrangements"

The Government of Canada establishes a new policy framework for federal transfer payments to self-governing Indigenous Nations, revising the "Own-Source Revenue" policy to claw back funds, maintaining a controlling accountability structure, and failing to support self-governments to catch up from decades of underfunding."