BACKGROUNDER

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Indigenous Affairs Plus: Canada's "Super-Province"

Sheilla Jones

Introduction

It is more like a federally-run "province", in that it provides a wide range of federal, provincial and municipal services to a specific group of Canadians.

Indigenous and Northern Affairs Canada (INAC) did not become as stand-alone federal government department until 1966. Since then, it has ballooned in size to become a vast department with jurisdictional reach over 90 percent of Canada's land mass.

INAC, which is in the process of being split into two departments, is unlike other federal government departments. It is more like a federally-run "province", in that it provides a wide range of federal, provincial and municipal services to a specific group of Canadians. IA+ (Indigenous Affairs plus 33 federal departments and agencies acting as its co-delivery partners) delivers comprehensive birth-to-death services to a client base across the country of about 1.15 million Indigenous people. IA+ is effectively a "super-province", funded by federal "transfers" that put it in the same league as Canada's two largest provinces, Quebec and Ontario. However, unlike a real province, the "citizens" of IA+ do not have the power to hold that administration accountable to them, nor can they vote out a failed administration and replace it with one of their choosing. IA+ may be a super-province but its "citizens" are uniquely powerless.

The same issues of grinding poverty, powerlessness and the resultant social pathologies plaguing so many Indigenous communities that IA was attempting to address in 1966-67—with a budget of $131.7M—are the exact same issues IA+ is still failing to address 50 years later—with an annual budget of about $19.1B and growing. New federal spending announcements in 2018 of $4.8B and $1.7B mean that IA+ may soon surpass Quebec as the largest "province" in Canada.

Historical Overview

"The mandate of the old Indian Affairs Branch was primarily to oversee the implementation of the Indian Act of 1876…

Prior to 1966, the Indian Affairs (IA) Branch was part of the Department of Citizenship and Immigration, having been moved previously from the departments of the Interior and of Mines and Resources.[1] When Indian Affairs and Northern Development (IAND) became a stand-alone department, it had three branches: the Indian Affairs Branch responsible for Canada's "Indian and Eskimo people"; the Northern Administration Branch managing services to people of the North, including the governments of Yukon and the Northwest Territories; and the Parks Branch, overseeing National Parks and Historic Sites, the National Battlefields Commission, and the Canadian Wildlife Service.[2] Spending on Indigenous programs and services accounted for just over half of IAND's budget for 1966-67.[3]

The mandate of the old Indian Affairs Branch was primarily to oversee the implementation of the *Indian Act of 1876,* which was enacted to give the federal government legislative powers to deliver on the terms of the treaties signed between the Crown and First Nations communities. Other responsibilities, such as for the Inuit people, were added over the years. By the 1930s, IA had jurisdiction over the 50 percent of Canada's landmass covered by the historic treaties (See Map 1) and lands that encompassed all First Nations reserves.

Map 1

The new department's Indian Affairs Branch in 1966 employed a modest staff of 330 people based in Ottawa and 2,761 working in the field, primarily as Indian agents and farming instructors.[4] At the time, the branch had a client base of roughly 192,000 people: 180,000 Status Indians living on reserves,[5] which accounted for about 80 percent of all Status Indians in Canada,[6] and about 12,000 northern Inuit.[7] Métis people were not the IA Branch's responsibility.

In 1966-1967, the Indian Affairs Branch spent $104.7M[8] on programs and services for 192,000 people. The department had two major co-delivery partners from other government departments. The Medical Services Branch of Health and Welfare Canada delivered health care for Indians and Inuit at some $25M per year,[9] and CMHC was contributing about $2M for on-reserve housing.[10] That totalled about $131.7M for IA+ in 1966-67—the IA Branch plus two co-delivery partners. IA+ was spending about $686 per client.

IAND was ostensibly downsizing as it promoted shifting IA Branch responsibilities to band governments. However, the department took on a growth spurt after junior cabinet minister Jean Chrétien was appointed the Minister of Indian Affairs in 1968,[11] the seventh IA minister in just seven years.[12]

"In a period of expansion," Chrétien said of his time as IA minister, "ministers are judged by how much money they can spend and how well they can extract money from the system for their projects. Spending was easy, because there was no end to the useful and imaginative initiatives bubbling up in the department."[13]

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Ten years after IAND became a stand-alone department, the department's spending on the "Indian and Inuit Affairs program" had more than quadrupled to about $600M.[14] The benefits to IA's client base of that increased spending, however, were not readily apparent.

A special report to the IA minister in 1979 warned:

> "Indian people have lost control over their lives. They have lost their traditional capacities for healing, caring, learning and providing food and shelter. Instead, increasingly large numbers of Indian people are heavily dependent on welfare; large numbers of children are neglected and relegated to the care of Children's Aid Societies; and large numbers of adults are dependent on alcohol… The tragedy is that there is no evidence of improvement in this intolerable condition in spite of increasing Government expenditures."[15]

Current Issues

Jump forward 50 years to 2017. The tiny Indian Affairs and Northern Development (IAND) from 1966-67 had evolved into the massive department of Indigenous and Northern Affairs Canada (INAC). It now had jurisdictional reach over about 90 percent of Canada's landscape, through the historic treaties (Map 1, Appendix I, pg. 8), the modern treaties signed after 1975 (Map 2, Appendix I, pg. 8), as well as the portion of 3 million hectares of reserve land outside the treaty areas.[16] The responsibilities for national parks, historic sites or the Canadian Wildlife Service had long since been transferred to other departments. Indigenous Affair Plus (IA+) had grown, too, with the number of federal co-delivery partners jumping from two to thirty-three.[17]

In evaluating federal spending on Indigenous programs and service, it doesn't really matter that IA has since been split into Indigenous Services (IS) and Crown-Indigenous Relations (CIR).[18] Nor is it significant that Health Canada's Indigenous programs and 80 percent of the department's budget have been transferred to the Indigenous Services department for 2018-19.[19] The two newly-named departments and all the co-delivery partners still collectively constitute IA+.

Indigenous Affairs (now IS and CIR) has always been unique in Canada in terms of its mandate and how it operates. Like all federal departments, it answers to the Prime Minister and Cabinet of the government of the day. However, unlike other federal departments, it does not provide specific services to Canadians in general. Rather, IA and its co-delivery partners provide a vast range of birth-to-death services for its Indigenous client base, from infant care[20] to settlement of estates for the deceased,[21] with more than 80 percent of IA's spending on reserves deemed to be for "basic, province-type services".[22] In many respects, IA+ is more like a federally run "province" than a regular federal department.

The idea of IA+ as a province is worth examining. If IA+ were stacked up against Canada's real provinces and territories that deliver many of the same programs and services, how would it compare?

The immediate challenge is determining the level of federal spending on Indigenous programs and services so that it could be compared to federal transfers to provinces and territories. In 2017-18, the IA departmental budget was $10.056B,[23] with only about two percent of its budget going to non-Indigenous programs.[24] (Those responsibilities were removed from IA in July 2018 and transferred to the portfolio of Intergovernmental and Northern Affairs and Internal Trade.[25])

Health Canada was still IA's largest co-delivery partner in 2017-18 at about $3.364B in Indigenous program spending.[26] However, IA stopped publicly listing its partners and their Indigenous program spending in its budget estimates after 2005. At that point, there were 13 federal departments and agencies serving as co-delivery partners, including Health Canada, CMHC, Human Resources and Skills Development, Fisheries and Oceans, Canadian Heritage, Solicitor General, Industry, Correctional Services, Natural Resources, Justice, Privy Council, Public Safety and Defence.[27]

Without hard numbers being made available by IA (or by IS and CIR, neither of which had responded to information requests by the publication date), it is possible to arrive at an approximation of co-delivery partner spending by extrapolating from the data from 2004-05,[28] which were consistent with year-to-year spending increases in two previous fiscal years, and using the known spending by IA and Health Canada in 2004-05 and in 2017-18.

Based on the Estimates for 2004-45 and 2017-18, the increase for IA (from $5.832B to $10.057B)[29] and for Health Canada ($1.795B to $3.364B)[30] averages to an increase factor of about 1.8.

"Identifying who IA's current co-delivery partners are and how much each is contributing to Indigenous programs and services presents a challenge, as IA stopped listing its partners in its budget estimates after 2005."

Applying that increase factor to the other 12 co-delivery partners ($1.183B in 2004-05)[31] would translate into about $2.130B in 2017-18. But there are 20 more co-delivery partners to account for. If each of the 12 co-delivery partners contributed an average of $177.5M ($2.130B divided by 12), then the average contribution of 20 more would be $3.550B ($177.5M multiplied by 20), with a total of $5.680B for 32 co-delivery partners. This puts IA+ spending for 2017-18 in the ballpark of $19.101B.[32]

The figure for IA+ of $19.1B does include the small amount spent by IA on services other than Indigenous programs and services, but it does not include the new IA+ spending announcements in 2018.

Using the $19.1B figure for IA+, how would it rank compared to Canada's provinces and territories for 2017-18?

Table 1
Federal Transfers and Per Capita Spending (2017-18)*

Province/Territory	Federal Transfers ($B)	Per Capita Transfers ($)
Quebec	$ 22.7	$ 2,710
Ontario	$ 21.1	$ 1,489
Indigenous Affairs Plus	**$ 19.1**	**$ 16,609**
British Columbia	$ 6.7	$ 1,388
Alberta	$ 5.9	$ 1,388
Manitoba	$ 3.7	$ 2,751
Nova Scotia	$ 3.1	$ 3,292
New Brunswick	$ 2.8	$ 3,703
Saskatchewan	$ 1.6	$ 1,388
Nunavut	$ 1.6	$ 41,745
Northwest Territories	$ 1.3	$ 29,044
Yukon	$ 1.0	$ 25,299
Newfoundland & Labrador	$ 0.7	$ 1,388
Prince Edward Island	$ 0.6	$ 3,958

*Source: Finance Canada, Federal Support for Provinces and Territories (2009-2019). See https://www.fin.gc.ca/fedprov/mtp-eng.asp.

IA+ would rank just behind Ontario and Quebec as the 3rd largest "province" in Canada, and well ahead of 4th place British Columbia. While the approximation of the $19.1B figure for IA+ is admittedly rudimentary, consider that spending in 2017-18 by IA ($10.057B) and Health Canada ($3.364B) alone still keeps it in 3rd place.

However, IA+ is unlike a real province in that its "citizen" client base is distributed across the country.

In the 2016 Census, nearly 1.7 million Canadians self-identified as Aboriginal (Indigenous).[33] The department's responsibilities now include all Status Indians (First Nations people registered with IA), Inuit and Métis people. According to IA, the Registered Indian population of Canada in 2016 was 970,562 people, and all are included in IA's client base. Because programs and services for the Inuit in Nunavut are covered by federal transfers to the territorial government, only the half of Inuit living outside Nunavut (about 32,730 in 2016) remain part of IA's client base.

Determining how many of the 587,545 self-identified Métis in Canada are IA clients is not easy to assess. According to the 2016 Census, Ontario is home to the largest number of Métis at 120,585. However, Métis Nation of Ontario, the province's Métis representative organization, counts only 20,000 people as Métis citizens, or about 16 percent of self-identified Métis in Ontario. To further muddy the waters, many of the programs provided by the five Métis provincial organizations are funded by their provinces, not by the federal government. Without hard numbers to determine how many Métis people across Canada are recipients of IA+ programs and services, a reasonable guesstimate is a generous 25 percent of self-identified Métis across Canada, or about 150,000 people. Putting the numbers together, a rough estimate of IA's client base is 1.15 million people.

What truly sets IA+ apart from the real provinces and territories in Canada is that the people who count as its "citizens" have no say in how IA+ operates. The ministers are appointed by the Prime Minister and accountable to the cabinet. The bureaucrats are answerable to their minister. Not a single person in the IA+ administration is elected by Indigenous people to represent their interests. Ordinary Indigenous people have no means to express their dissatisfaction with the current administration by throwing it out and electing one more to their liking. There is no structural mechanism built into the "province" of IA+ whereby its "citizens" can demand their voices be heard or to hold the administration accountable to them. They are voiceless and powerless.

The budget for IA, plus its co-delivery partners, has grown by a factor of 145 since it became a stand-alone department in 1966.[34] Its client base has increased by a factor of six. If IA+ was spending $19.1B on programs and services for 1.15 million people in 2017-18, it was spending about $16,609 per client. IA predicts the number of Status Indians will continue to increase at a rate of 3.3 percent annually,[35] while the pending creation of a new Métis Nation in Western Canada could mean a significant increase in the number of Métis who become IA clients. IA+ appears to be growing still.

It is remarkable that IA+ has become such a vast and far-reaching power within Confederation, yet it has gone largely unacknowledged. It is possible that IA stopped including details about its co-delivery partners after 2005 to obscure how many departments and agencies across the federal government were becoming involved in delivering Indigenous programs and services, and how much they were collectively spending.

The federal government announced more new Indigenous spending in the spring of 2018, with $4.757B over five years for various unspecified IA+ departments and agencies.[36] Another $1.7B of new spending over ten years was announced in the fall of 2018.[37] As the federal government continues to accelerate spending on Indigenous programs and services, IA+ may soon overtake transfers to Quebec to become Canada's largest "province".

The problem with the scale of IA+ spending on Indigenous programs and services is not the amount spent but the results of that spending, or rather the lack of results. The issues IA was dealing with when it became a department in 1966 have changed little. The problems facing Indigenous people were well-articulated by Jody Wilson-Raybould, now Canada's Justice minister, in 2012 when she was a BC regional chief for the Assembly of First Nations:

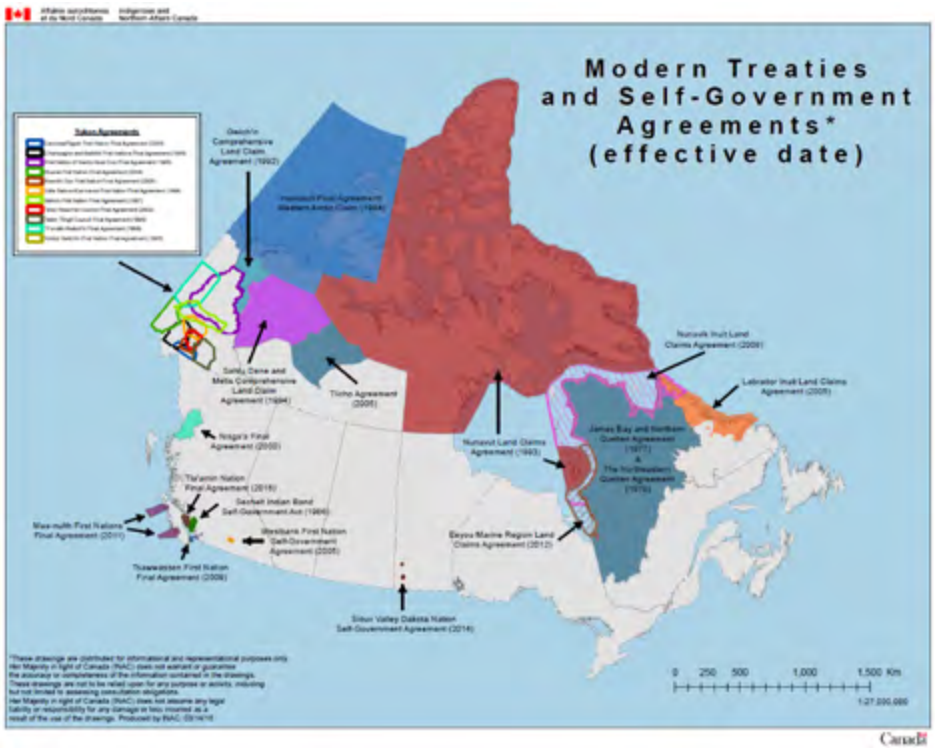
> "Sadly, for a lot of our citizens there is still a sense of hopelessness. This sense of hopelessness can be overwhelming at times and is evidence of a far greater pathology that many of our citizens need to overcome—namely apathy, alienation, dependency and powerlessness...."[38]

With jurisdictional reach over 90 percent of Canada's land base, IA+ could indeed be considered Canada's powerful "super-province", but it is one whose "citizens" who are uniquely powerless.

APPENDIX I

Map 1

Map 2



Appendix link for Map 1 at: https://drive.google.com/file/d/0B-8RnPWNlc_nbVdWV2FjdWcxY19qSV9ScjBZS3dVb3I1UVVV/view?usp=sharing.

Appendix link for Map 2 at: https://drive.google.com/file/d/0B-8RnPWNlc_nWlpaclFzSFlyQUhReVZTd1lQWFNTSlIDdzlJ/view?usp=sharing.

ENDNOTES

1. See https://www.thecanadianencyclopedia.ca/en/article/aboriginal-affairs-and-northern-development-canada/.
2. IAND, Indian Affairs and Northern Development Annual Report, Fiscal Year 1966-67, Government of Canada.
3. *Ibid.,* p 113. Out of IAND's 1966-67 budget of $197, about 53 percent ($104.7M) was allocated for spending by the Indian Affairs Branch.
4. *Ibid.,* p 79.
5. G. Graham-Cumming, 1966. Medical Liaison Officer, *Highlights of Indian Vital Statistics 1966,* Medical Services, Department of National Health and Welfare, Government of Canada, p 1. Total Indian population, 1966: 225,372.
6. IAND 1966-67, p 55. Note that off-reserve First Nations people were not considered the responsibility of Indian Affairs.
7. James C. Saku, 1999, Aboriginal Census Data in Canada: A Research Note, *The Canadian Journal of Native Studies XIX,* 2(1999), p 370. Note that census data varied, depending on how ethnicity questions changed. The census identified 11,835 Inuit in 1961 and 17,550 Inuit in 1971.
8. IAND, 1966-67, p 113.
9. Public Health, Welfare and Security, Statistics Canada, 1963-64, p 310. Reliable information for 1965-66 does not appear to be readily available. See https://www66.statcan.gc.ca/eng/1963-64/196303340310_p.%20310.pdf.
10. IAND, Press Release, January 4, 1968, volume 8881, file 55/29-2. Indian Affairs Minister Arthur Laing announces that almost two million dollars would be spent that year to build houses on Indian reserves. See http://www.canadahistory.com/sections/politics/pm/jeanChrétien.htm.
11. Jean Chrétien, *Canada History.* See http://www.canadahistory.com/sections/politics/pm/jeanChrétien.htm.
12. Dick Bell, Guy Favreau, René Tremblay, John Robert Nicholson, Jean Marchand and Arthur Laing served as Indian Affairs ministers from 1962 to 1968 when Jean Chrétien was appointed. See https://en.wikipedia.org/wiki/Minister_of_Crown%E2%80%93Indigenous_Relations#Cabinet_ministers.
13. Jean Chrétien, 1985, *Straight from the Heart,* Key Porter Books, p 72.
14. Alan Gratias, 1978, Program Development Branch, Government of Canada, IAND Program Evaluation 1977-78, p 1. The 1977-78 budget for Indian and Inuit programs was about $600M.
15. Jack Beaver, 1979, *To have what is one's own,* prepared on behalf of the Department of Indian Affairs and Northern Development and the National Indian Brotherhood, p 44.
16. INAC, 2017, Presentation to the Natural Energy Board Modernization Expert Panel, January 20, 2017, p 3.
17. INAC, 2017, Presentation to the Natural Energy Board, p 2. "Indigenous and Northern Affairs Canada (INAC) is one of 34 federal government departments responsible for meeting the Government of Canada's obligations and commitments to First Nations, Inuit and Métis, and for fulfilling the federal government's constitutional responsibilities in the North."
18. Prime Minister's Office, New Ministries to support the renewed relationship with Indigenous Peoples, August 28, 2017, http://pm.gc.ca/eng/news/2017/08/28/new-ministers-support-renewed-relationship-indigenous-peoples.
19. Indigenous Services Canada, Departmental Plan 2018-19, p 33. See https://www.sac-isc.gc.ca/eng/1523374573623/1523904791460#chp9.
20. INAC, Sub-Program 2.2.3: First Nations child and Family Services, 2017-18. See https://www.aadnc-aandc.gc.ca/eng/1483561667907/1483561705638#2_2_2.
21. INAC, Sub-Program 2.3.2: Estates, 2017-18. "The Indian Act provides the Minister of Indigenous and Northern Affairs Canada with exclusive jurisdiction over the administration of estates for First Nations individuals who were ordinarily resident on reserve at the time of their death" and "INAC's role includes approving a will or declaring a will to be void". See https://www.aadnc-aandc.gc.ca/eng/1483561667907/1483561705638#2_3_2.

22. INAC, 2004-05 Estimates, p 14
23. INAC, Indigenous and Northern Affairs Canada: 2017-18 Departmental Plan, Government of Canada, p 51. See https://www.aadnc-aandc.gc.ca/eng/1483561566667/1483561606216.
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25. Ellis Quinn, Canada's PM splits up northern and Indigenous affairs in cabinet shuffle, July 18, 2018, *Eye on the Artic*. See http://www.rcinet.ca/eye-on-the-arctic/2018/07/18/canada-prime-minister-justin-trudeau-indigenous-dominic-leblanc-carolyn-bennett-cabinet-shuffle/.
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28. *Ibid.*
29. INAC, 2004-05 Report on Plans and Priorities, p 14, and INAC 2017-18 Departmental Plan, p 51.
30. INAC, 2004-05 Report on Plans and Priorities, p 14, and Health Canada 2017-18 (see Endnote 25).
31. INAC, 2004-05.
32. IA+ spending estimate for 2017-18: IA ($10.057B) + Health Canada ($3.364B) + 32 other co-delivery partners ($5.680B) = $19.101B.
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SHEILLA JONES

Sheilla Jones, MSc, is an author and an award-winning Canadian journalist who has spent more than 25 years observing and writing about Indigenous political issues. She served as facilitator for the Treaty Annuity Working Group (TAWG), a special committee of the Social Planning Council of Winnipeg formed in 2002 to examine modernizing treaty annuities as a mechanism for empowering First Nations individuals and families. Sheilla authored the 2004 TAWG report on the results of the national conference hosted by TAWG in 2003, "Modernizing Treaty Annuities: Implications and Consequences".

Sheilla got a lively introduction to Indigenous politics while writing Canada's first book on Métis politics, *Rotten to the Core: The politics of the Manitoba Métis Federation* (101060, an imprint of J. Gordon Shillingford Publishing, Winnipeg, 1995). In 1998-2000, Sheilla served as researcher for Jean Allard's *Big Bear's Treaty: The Road to Freedom,* published in 2002 in the policy journal Inroads.

Sheilla is a former CBC-Radio Winnipeg reporter, news editor and news presenter who has garnered numerous journalism awards. She has been a senior television researcher for the CBC, and served as a political commentator on a variety of CBC national television and radio programs.

With a keen interest in quantum physics and cosmology, Sheilla pursued a graduate degree in theoretical physics (University of Alberta, 2004). She is the author of *The Quantum Ten: A story of passion, tragedy, ambition and science* (Thomas Allen Publishers, Toronto; Oxford University Press, New York, 2008) and co-author of *Bankrupting Physics: How today's top scientists are gambling away their credibility* (Palgrave Macmillan, New York, 2013).

FRONTIER CENTRE
FOR PUBLIC POLICY

203-2727 Portage Avenue, Winnipeg, Manitoba Canada R3J 0R2
Tel: 204-957-1567
Email: info@fcpp.org

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