

The Provinces



Prairies

Tom Flanagan

Killing with kindness

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CALGARY

THE Stoney Indians west of Calgary have been in the local news since June, when Provincial Court Judge John Reilly tried to order a Crown prosecutor to conduct a public inquiry into conditions on their reserve. In the meantime, six young Stoneys have died in alcohol-related episodes involving murder, suicide and traffic accidents.

This is one of Canada's wealthiest reserves. Last year the band received \$33-million in revenue — \$20-million from the federal government and \$13-million in natural-gas royalties. (It also ran a deficit of \$5-million.) That's about \$10,000 for each man, woman and child.

There won't be a full-scale public inquiry, but the federal government has ordered a forensic audit and temporarily put the reserve under the financial trusteeship of an accounting firm. The audit may uncover waste and nepotism, but so what? An inquiry might uncover waste and nepotism, but so what? These are inevitable in small, familistic communities whose governments distribute public money they don't have to extract in taxes from their own people. Replacing the dominant faction won't change the way the system works. The truly serious problem lies much deeper.

Consider an appalling statistic that has been often noted but little discussed amid all the clamour — 60 per cent of the 3,300 residents of the reserve are living on social assistance. What makes this number especially troubling is that the reserve sits in the middle of one of the most dynamic areas of the Canadian economy. Fifty kilometres to the east lies the perpetual boomtown of Calgary where the unemployment rate is 6.1 per cent, second lowest in Canadian cities. Fifty kilometres to the west of the reserve lies Banff, with its chronic labour shortage. Young people come from all over the world and find jobs there immediately.

Even closer to the reserve is the old mining town of Canmore, now exploding into a Canadian version of Aspen or Garmisch — a gateway to mountain playgrounds. And just to the south is Peter Lougheed's legacy to the people of Alberta — Kananaskis Country, with new hotels, golf courses and ski resorts, all needing employees.

WHY then are so many Stoneys on welfare rather than participating in the local labour market? Because the social-assistance payments available to all eligible Canadians, combined with the special benefits available to status Indians (housing, education, medical care, tax exemptions) add up to a higher income than afforded by entry-level jobs.

Aboriginal leaders understand this and are vociferous in denouncing the welfare system that demoralizes their people. Unfortunately, current thinking about the inherent right of self-government, as exemplified in the report of the Royal Commission on Aboriginal Peoples, will make things worse.

Today's conventional wisdom is that self-sufficient economies can be created in aboriginal communities through a combination of transfer payments, traditional pursuits and strategic investments. This may work in a few cases (almost all policies produce some success stories), but it is unlikely to succeed overall. Economic development directed by aboriginal governments will generally turn out to be a miniature replica of regional development directed by federal and provincial governments — a museum of costly failures.

Ultimately, aboriginal people must enter the wider labour market. Flipping burgers, bagging groceries, waiting on tables — such entry-level jobs are the first rung on the ladder of self-sufficiency and self-respect.

The Indian Affairs department has almost the only part of the federal budget that the Liberal government has allowed to grow, and the royal commission has recommended a further increase of \$1-billion to \$2-billion a year.

Ordinary welfare dependency can be reduced by lowering the generosity of social-assistance rules and payments, as Ralph Klein's government demonstrated when it cut Alberta's percentage of welfare recipients in half. But this approach, in itself, won't do much about the situation on Indian reserves, where the total value of in-kind benefits such as housing is probably greater than the cash payments from social assistance. Large cuts in the Indian Affairs budget would also be required.

Many reserves lie so far away from jobs that residents must leave if they are to get off welfare. But the location of the Stoney reserve allows its residents to avoid that cruel choice. Will politicians ever change the incentive structure that leads too many Stoneys to remain idle in the midst of so much work?

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Tomorrow, Terry Glavin in British Columbia.