



THE PROVINCES

THE PRAIRIES

TOM FLANAGAN
IN CALGARY.

Globe and Mail

Nov. 5/98

To call leaders to account

About a year ago, my first column in this space described the waste, poverty and political patronage among the Stoney Nation uncovered by The Calgary Herald. The latest instalment is that forensic auditors have turned more than 30 files over to the RCMP to determine whether criminal charges should be laid. Meanwhile, the Stoneys are scheduled to resume control of their finances now that federally appointed trustees have brought the budget into balance.

In recent weeks, The Globe and Mail has printed front-page stories dissecting the political economy of two other resource-rich Alberta reserves, the Samson band near Hobbema and the Sawridge band on Lesser Slave Lake. On the large Samson reserve, with a population of over 5,000, those who control the band government pay themselves generous tax-free salaries while most residents languish on welfare. On the small Sawridge reserve, 26 relatives of the late Senator Walter Twinn are determined to keep control of a business empire estimated to be worth \$85-million. They are battling, so far successfully, to keep 200 other band members from moving back to the reserve.

Investigative reporting helps draw back the veil of secrecy that cloaks aboriginal self-government, but it has limitations. Such stories inevitably emphasize topics calculated to provoke instant outrage: corruption and inequality, babies dying of neglect while band councillors hold budget meetings in Las Vegas. Such disclosures are likely to inspire prosecution of offenders, stricter financial administration and other measures that, while necessary, do not deal with the four inherent problems of aboriginal self-government.

First is the absence of taxation on reserves. Band governments derive almost all their revenue from federal transfers and, in a few cases, resource revenues. These forms of funding make them essentially independent of the people they are supposed to serve. Voters, for their part, are encouraged to voice unlimited demands on government because they do not have to reach into their own pockets to pay for programs. In such conditions, aboriginal self-government becomes a conspiracy of the governors and the governed against the Canadian taxpayer.

Second is the absence of individual property rights. The band government owns all the land, housing, natural resources and (sometimes) business enterprises. That this can be a threat to the individual rights of band members is shown by the tactics of the Sawridge band council, who refuse to build new houses as a way of keeping undesired members off the reserve, thereby preventing them from voting in band elections. It is also a recipe for economic inefficiency. In today's world, where privatization of government-owned property is a general trend, aboriginal communities are not going to prosper as bastions of statist business practices.

Third is the overextension of aboriginal governments, which are trying to carry out a combination of municipal, provincial and federal functions: paving roads, running schools, administering social services, building and maintaining housing, planning economic development and much, much more. No single government can do all this and do it well. The result is a bloated public sector whose main function is to provide on-reserve employment to relatives, friends and political supporters of the faction in power.

Fourth is the concentrated authority structure of aboriginal governments. Everything radiates outward from the chief and council, creating a perfect setting for patronage and corruption. The concept of a politically neutral public service is badly needed, as is the devolution of power to independent bodies such as school boards and housing commissions.

♦ ♦ ♦

How could the system be improved? Devolution of power away from chiefs and councils might be the easiest place to start, but the most basic reform is to make aboriginal governments financially dependent on the people they govern.

Consider a mental experiment. Ottawa now spends about \$6-billion a year for some 600,000 status Indians — \$10,000 for each man, woman and child. Suppose the money went directly to aboriginal families, and their elected governments had to support their activities by taxing their own people. Would they vote for band governments that own all the housing, or would they vote to own their own houses, as other Canadians do? Would they vote to send their chiefs to address the United Nations, or would they prefer to keep the money so they could take their children for an outing to the West Edmonton Mall?

Self-financing of government through taxation is the key because it combines the principles of individual property rights and political accountability. If it can ever be introduced into aboriginal self-government, the problems of governmental overextension and concentration will sort themselves out, as voters realize where their true interests lie.

♦ ♦ ♦

Tom Flanagan is a professor of political science at the University of Calgary.