

**Dominion provincial relations : attempts to arrive at  
a mutually acceptable division of responsibility with  
the provinces in respect of Status Indians**

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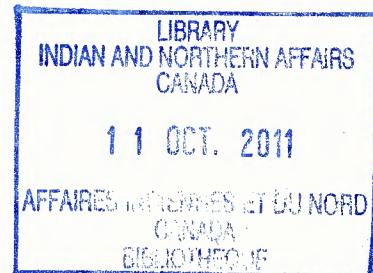
Mr. Arthur Kroeger

-- You requested a paper on the attempts made over the last 15-20 years to arrive at a mutually acceptable division of responsibility with provinces with respect to status Indians. I am now able to forward this; it is preceded by a summary. I wish to apologize for the delay and can only explain that the material is scattered throughout many volumes of files in both the Federal Provincial Relations and the Welfare Services blocks of files.

P.C. Mackie,  
Assistance Deputy Minister,  
(Indian and Eskimo Affairs).

Encl.

Rogers:Mad11:mm  
September 20, 1976.



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FEDERAL-PROVINCIAL RELATIONS

Summary

- Pre 1960 Little activity, although Joint Committees of the Senate and House of Commons drew attention to the inadequate welfare services provided for Indian people and urged greater involvement by provinces. In Ontario agreements existed with Children's Aid Societies and the province treated bands as municipalities for social assistance - the bands (35 in all) provided 20% of the cost from band funds and the province 80% of which 50% was claimed from Canada under the former Unemployment Assistance Act. Beginning with Family Allowances in 1945, eligible Indian people began to receive benefits under certain federally supported income support programs.
- 1963 Federal-Provincial conference agreed to the need to correlate federal and provincial policies and responsibilities respecting a wide range of services for Indian people.
- 1964 May: Cabinet authorized agreements with provinces to extend welfare and community development services to Indian people. Cost sharing for the former would reimburse provinces some 90-95% of the costs and for the latter 100%. It was hoped that the community development proposal would encourage provinces to accept that respecting welfare.
- July: Treasury Board authorized payment of social assistance to Indian recipients at same rates and on same eligibility criteria of the province in which the recipient lived.
- October: Federal-Provincial conference on Indian Affairs which in general agreed that both levels of government should work together - financial aspects of program extension by provinces should be referred for further study.
- 1965 Establishment of Indian Advisory Council and in some provinces Federal/Provincial Co-ordinating Committees.
- 1966 Canada Assistance Plan enacted - Part II "Indian Welfare" provided for special cost sharing arrangements for provinces extending their welfare assistance and services programs to Indian people.

Agreement signed with Ontario. Ministers from the Prairie Provinces met to attempt a concerted approach to Canada on matters pertaining to Indian people - the matter was given to the Prairie Economic Council for further study. (Note: a document prepared by Manitoba says that a submission was prepared and forwarded to the Federal Government, but no response was received).

One of the contentious issues with provinces in this period was the question of the function by function vs. the comprehensive approach - DIAND favored the former and provinces (at least the prairie provinces) favored the latter.

- 1968 Agreement on child welfare services almost reached with Saskatchewan and Alberta, but failed on the basis of the cost sharing formula and the federal government's desire to discontinue ad hoc arrangements and to establish a comprehensive Indian policy.
- 1969 Policy proposals published respecting Indian people, but later withdrawn.
- 1970 Mr. Chrétien proposed a formula for reimbursing provinces for the extension of regular provincial services for Indian people which provided special payments over a period of 30 years - this involved approximately 100% of expenditures for ten years, a constant payment for ten years and then a gradual reduction over the next ten years to the point where no special payment would be made. A number of provinces appeared interested, but the reaction of Indian leaders to the 1969 proposals caused them to be withdrawn and the matter was not pursued.
- 1971 Letter from Quebec requesting an agreement under Part II of the Canada Assistance Plan.
- 1972 Order-in-Council authorized cost sharing under Part II of C.A.P. at a level of 100% for welfare assistance and services provided to Indian people on-reserve and 50% for that provided to those off-reserve. Negative reaction by Indian leaders and other factors caused DIAND to withdraw from proposals for C.A.P. agreements, although ad hoc arrangements directly between DIAND and provinces were possible.
- 1974 DIAND invited to Deputy Ministers of Welfare Conference to discuss off-reserve services. No conclusions were reached and invitations to certain provinces for follow-up discussions received no response. (DIAND was given to understand unofficially that the provinces concerned were preparing positions).

1975

Decisions to approach provinces individually rather than to seek Cabinet authority to take action with respect to off-reserve services.

1976

As a result of individual approaches discussions are underway with Alberta, B.C., and Manitoba. In the case of the first two these are concentrating on provincial delivery of welfare assistance and services. Manitoba would like a comprehensive agreement. Ontario is currently reviewing its role in relation to services for Indian people and following that review will involve DIAND in discussion of a broad range of provincial services.

FEDERAL-PROVINCIAL RELATIONS

CONTENTS

Introduction .....1

1960-64 .....2

1965-69 .....4

Functional or Comprehensive Approach? .....9

1969-70 .....12

1971 - Present .....13

Bibliography .....15

Appendix A: Ontario Formula



## FEDERAL-PROVINCIAL RELATIONS

(Attempts to arrive at a mutually acceptable division of responsibility with the provinces in respect of status Indians)

### INTRODUCTION

Until about 1950 Indians were considered, by both the federal and the provincial governments to be wards of the federal government. Very few Indian people lived off-reserve which were "... federal islands surrounded by provincial territory"<sup>1</sup> and very few of the basic public services of the provinces extended to reserves.

The social service programs for Indian people therefore developed independently of those provided to other Canadians. In addition, welfare had a low priority in the Indian Affairs scheme of things and the Welfare Division had responsibility for both Economic Developing and Training - the latter became the Education Division in 1947, but Economic Development did not become a separate division until 1958. Hawthorne<sup>2</sup> said that the result for Indian people was "... rudimentary provision for their welfare needs ...".

The Joint Committees of the Senate and the House of Commons in 1946-48 and again in 1959-61 urged increasing involvement by provinces in the provision of services to Indian people. Thus extension of basic provincial services became the stated policy of the former Indian Affairs Branch and the paper which follows seeks to document the efforts made since 1960 to implement this policy with particular emphasis on the social services.

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1. Hawthorne, 1966. Vol. I, p.344
  2. Ibid. p.314

1960-64

While there had been some extension of provincial services to Indians (notably in Ontario) in the pre-1960 period, the federal emphasis on promoting further extension did not surface emphatically until the 1963 Federal-Provincial Conference. Indian people at that time received benefits of certain categorical payments and federally supported income maintenance programs such as Family Allowances, Old Age Security, Old Age Assistance, Blind Persons' Allowances and Disabled Persons' Allowances.<sup>3</sup> The extension of categorical payments and income maintenance programs has not been as difficult an objective to achieve as the extension of regular provincial welfare programs, the latter being more difficult on account of limited staff resources, the low priority due to regular social services, and the provincial assumptions that Indians are merely "marginal supplemental responsibilities of provincial governments", only to be included in the calculation of provincial policy if a surplus of resources is available<sup>4</sup>.

The 1963 Federal-Provincial Conference stressed the necessity of correlating Federal and Provincial policies and responsibilities for health, welfare, education, community development and other services if Indians were to be associated more closely with other Canadians. This led to a Federal Provincial Conference on Indian Affairs in the fall of 1964. This Conference defined as important long-term objectives equality of opportunities for Indians in all aspects of Canadian life; provision of provincial services and programs on the basis that needs in Indian communities should be met according to standards applicable in other communities; increasing participation of the Indians in the management of their own affairs; the development of Indian leadership to discharge community responsibilities, and finally, agreement as to appropriate and equitable financial arrangements. It is recognized also that in working towards these objectives, Indians should be consulted throughout, existing essential services to Indians had to be maintained during the development of new arrangements, and that as the long-term objectives

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3. Eva Marszewski: "Welfare Services For Indians", in Douglas Sanders ed. Cases and Materials on Native Law, June, 1974. Pp. 618-619.

4. Hawthorne, op.cit., p.338



were attained, special supports and protections historically provided to Indians should be progressively adjusted. Finally, it recognized that the time had come to find the basis on which the widest possible range of federal, provincial and municipal services could be extended to Indians.

Cabinet, in May, 1964, authorized the negotiation of community development and welfare agreements with provinces. In the case of the former, costs could be reimbursed at the rate of 100%, while a more complex formula, related to the differences in the costs of services to Indians and to others, was authorized for welfare. (This formula was later incorporated into a welfare agreement with Ontario and is described in Appendix A).

The policy of applying provincial rates and eligibility conditions in the departmental social assistance program was authorized by Treasury Board on July 23, 1964. Essentially, the policy was an interim measure to improve standards of assistance for Indians pending negotiation of federal-provincial cost-sharing agreements which would provide for inclusion of Indians in provincial welfare programs. It proposed "to adopt provincial or local municipal standards and procedures for the administration of relief assistance for Indians, as being in line with the recent Cabinet decision on the extension of provincial services to Indians. ... As a means of rectifying the present inadequacy of the Indian Affairs of the Indian Affairs Branch scale of assistance, adoption of provincial or local municipal rates is proposed, not only in respect to food, but also for clothing, fuel, household equipment, public utilities such as water and electricity, rent, etc., as may be applicable. ... Administrative procedure will be in accordance with procedure in effect for non-Indians. Provision will be made, in instructions to Indian Agency Personnel for continuation of administration of welfare assistance by voucher or in kind for applicants who are unable or unwilling to utilize relief funds in a proper manner and in regions where non-Indians receive assistance in this manner".

The federal proposal for an extension of provincial social services had been discussed with the provinces prior to the 1964 Conference and, subsequently, agreement formats on welfare and community development were sent to them for consideration. The forwarding letters stressed the interrelationship between community development and welfare and implied that it would not be in keeping with the basic principles of community development for a province to accept the community development proposal without agreeing also to extend its welfare services. As noted above, the cost-sharing formula proposed for welfare agreements anticipated a small contribution by provinces (no one province would be expected to pay more than 10%) and this was, in fact, the first instance where the federal government had clearly stated to the provinces that it expected them to assume some share of responsibility in respect to their Indian residents. R.F. Battle, Assistant Deputy Minister of Indian Affairs, in a letter to the Minister, explained that "We expected that some of the provinces would be less than enthusiastic about the welfare proposal. We also know that the provinces which might not like the welfare proposal, Manitoba, Saskatchewan, and Alberta, were interested in the community development proposal. We saw it as a possible lever in overcoming their objection to the welfare proposal and, although we have never, either in writing or verbally, specifically stated that we would not sign a Community Development Agreement with a province which refused to enter into a Welfare Agreement, our actions created that impression. In the case of Alberta which signed the Community Development Agreement shortly after receiving the format, we indicated we were not prepared to sign the agreement until there had been more conclusive discussions on the welfare proposal ...".<sup>5</sup>

1965-69

The immediate post-1964 period (to early 1967) was marked by a considerable degree of federal-provincial activity specifically in the areas of social welfare and Community Development programs. On May 19, 1966, the Honourable Arthur Laing, on behalf of Canada signed

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5. RG10 file 1/42-1, Vol. 4. R.F. Battle to the Minister, November 30, 1966.

an Agreement with Ontario under which provincial welfare programs were made available to Indian people. The most significant feature of the Agreement was that it enabled the province of Ontario to extend to those Indian bands that desired them, the same provincial welfare programs that were available to other residents. Generally, however, the attitude of the provinces to the social service and Community Development program proposals arising out of the 1964 Federal-Provincial Conference was a clear lack of interest. Both Quebec and Alberta, however, expressed a sincere interest at the official level in extending provincial welfare services and a Community Development program. Alberta, while interested in extending its welfare services to Indians, categorically rejected the cost-sharing formula embodied in the federal proposal, arguing that the federal government should pay the full cost. Manitoba, while it did not accept the federal position that the extension of welfare services to Indians should have priority, did sign a master agreement in 1965 with the Federal Government for the education of Indian children, as did New Brunswick. By its terms Canada agreed to pay to the province a tuition fee of \$13.75 per month for each Indian child enrolled in kindergarten; \$27.50 for each child enrolled in Grades 1 to 8, and \$40.00 for each child in Grades 9 to 12. It also agreed to pay for transportation and capital costs. British Columbia had signed a similar master agreement on education in 1949.<sup>6</sup>

The reason that community development services were to be reimbursed 100% was that community development was regarded as a special effort on the part of the federal government to bring Indian communities fully within the framework of more general and established federal-provincial fiscal arrangements and programs. To the extent that high welfare costs reflect Indian economic dependency and social isolation, it was expected that the effect of community development programs would be to bring such costs down to levels more comparable to non-Indian expenditures. The Federal Government found it important, therefore, as a general principle, that a relationship be recognized between welfare programs and community development in negotiations with provinces.

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6. L.L. Brown to Regional Directors, 1965, RG10, file 1/42-1, Vol. 1

Essentially, the post-1964 Conference proposals for Social Welfare and Community Development Programs were in fact attempts by the Federal Government to arrive at a mutually acceptable division of responsibility with the provinces. However, for various reasons, these attempts, to a large extent, failed.

One of the factors that impeded progress at the federal-provincial field was the disagreement over the constitutional position of the Indian. At the 1964 Federal-Provincial Conference on Indian affairs, the Alberta brief on its position was "based upon the belief that the Indian who is set apart from the rest of the citizens constitutionally and legally has a right to continue to enjoy this separate status and no act of any province should interfere with or limit in any way this constitutional right ... so long as the Indian occupies a special position constitutionally and legally, he cannot at the same time occupy the position of the ordinary citizen who has obligations different from those of the Indian". This was merely a restatement of the traditional Alberta view that Indians are a federal responsibility and must remain so until there is a constitutional change. It also explains why Alberta has insisted that any extension of provincial welfare services to Indians on reserves must be at 100% cost.

The problems encountered in arriving at a mutually acceptable division of responsibility in Manitoba is at once reflected in similar disagreements in most of the other provinces. Three years after the 1964 Federal-Provincial Conference on Indian Affairs the Province of Manitoba had not yet signed the master Welfare Agreement. The Province's position in this regard was that it did not have the staff that would enable them to provide the same calibre of service as the Branch was providing with its own employees. Moreover, in the immediate post-1964 Conference years the Province argued that the extension of welfare services should not take priority in the agreement field and that what was really needed was a comprehensive agreement. The continuing debate of the function-by-function vs the comprehensive agreement approach was



also, of course, another stumbling block impeding progress in the federal-provincial field.

Even though Manitoba initially opposed the Social Welfare Program the stalemate was later overcome to some extent as exemplified by the Province's negotiations with Child Welfare agreements and The Children's Aid Societies to provide child care services in the areas covered roughly by the Clandeboye and Portage la Prairie Indian Agencies. Also, preliminary negotiations had been held for the Child Welfare Agreement covering the Churchill area, as well as a portion of the Hudson's Bay Line. In other provinces such as Saskatchewan and B.C. it was concluded that they were interested in extending their welfare services to Indians, if a suitable arrangement could be worked out, as well as signing the Community Development Agreement. However, it should be emphasized here that a number of barriers, particularly at the official level, existed and that a series of informal committees were in operation to iron out any problems.

Near the end of October, 1966, a Prairie Provinces Ministerial "Conference on Government Matters Pertaining to the Affairs of Native People" took place in Winnipeg. The result of this meeting was recommendations to the Prairie Economic Council which included the following:

- (a) that in future consultations with the Government of Canada on the extension of services to people of Indian ancestry, a comprehensive rather than a fragmented approach be adopted,
- (b) that provinces make immediate representation to the federal government requesting that all government agreements and programs affecting people of Indian ancestry be reviewed. (Particular concern was expressed that provinces were committed to costly programs without federal agreement and priorities being established. Concern was also expressed about the



establishment, without consultation, of exclusively federal programs which may have adverse ramifications affecting existing federal-provincial programs).

The Prairie Economic Council, in turn, came out in strong support of early federal-provincial discussions on Indian issues. However, instead of another conference, the Council opted for a "low-key" task force composed of federal and provincial officials who would conduct consultations concerning (a) a review of all government programs and agreements affecting people of Indian ancestry, (b) the development of a comprehensive approach and program regarding government services for people of Indian ancestry, including program priorities, (c) consideration of the extension of provincial services to Indians, (d) clarification of the constitutional and taxation questions relative to the respective responsibilities of the federal and provincial governments. These views, nevertheless, while conveyed in a letter dated March 8, 1967, to the Prime Minister and signed by the western premiers, arrived on the eve of Mr. Pearson's resignation as Prime Minister.<sup>7</sup>

During the latter half of 1968 it appeared that it might be possible to secure agreements with Saskatchewan and Alberta for the extension of child welfare services to Indian communities - governments at both levels had been spurred on by the loss of a family of Indian children by fire which appeared clearly to have resulted from neglect by the parents concerned. The provinces however insisted upon payment of 100% of the costs. The federal government did not accept this proposal since Ontario had already accepted the 1964 formula. Moreover, to offer a different arrangement to other provinces was seen as confirming provincial criticisms that the federal government was not dealing with the provinces in a consistent manner.

By the end of 1968 it was clear that little progress had been made in rationalizing a provincial role in Indian social services. Manitoba had held out for 100% of the costs of direct services to Indians and

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7. The information that a letter was written and its timing comes from a discussion paper prepared by Manitoba but see the first paragraph of an extract from a letter by L. Brown footnote 8 below.

requested that a formula be developed for federal contributions for indirect services. Alberta and Saskatchewan insisted that the federal government should accept 100% of responsibility for all on-reserve services. In addition, the Maritimes were critical because the federal government persisted in taking a "fractured" approach to Indian issues. Finally, B.C. expressed pessimism that any resolution was possible with regard to Indian service unless and until Indians were able to participate in finding solutions. Only Ontario reported progress under the 1964 formula which resulted in a 97% federal contribution for a range of welfare programs. By 1968, all Indian income maintenance programs in the province had been brought under this arrangement. Many bands were participating as municipalities and were, in effect, administering their own programs. The program was being extended to include homes for the aged, homemaker services, and day nurseries.

#### FUNCTIONAL OR COMPREHENSIVE APPROACH?

At the 1964 Federal-Provincial Conference on Indian Affairs, the federal government took the position that the extension of provincial services should follow a function-by-function rather than a comprehensive approach and within this position, identified welfare services and community development programs as the prior needs.

In a letter to the Assistant Deputy Minister, L.L. Brown, of the Indian Consultation and Negotiation Group, on October 7, 1969, defined the basic problems inherent in the functional vs. the comprehensive approach.

"What I originally read into your memorandum was that you were suggesting that we discard the comprehensive approach in favour of a functional and regional approach. There are obvious advantages in such an approach. This was why at the 1964 Federal-Provincial Conference we pressed for approval of a function by function approach and identified welfare as having the first priority. The provinces went along although some expressed doubts. Subsequently, these doubts were affirmed much more posi-

tively to the point where the three Prairie Provinces joined together in an attempt to develop a comprehensive proposal to place before us. They spent some time on this exercise, but, apparently failed to agree as we have never received a formal proposal. Manitoba developed a paper for the consideration of the western provinces and gave us a copy. The events of the years since 1964 brought us to believe that the function by function approach was unsound ...

... Let me briefly mention a few apparent disadvantages. Such an approach places no real pressure on the province to do anything. In practical terms, it seems the province can pick the easy spots and avoid the difficult ones. The welfare agreement with Ontario is the perfect example of regional application of a functional extension of services. Ontario had to do practically nothing to bring its general welfare services programs to bands in southern Ontario.

The function by function approach would mean negotiating a series of functional agreements and would inevitably bring about the same pressures that we ran into previously for payment of 100% of the cost. The federal government has consistently rejected the 100% idea and the policy proposal contains the element of this objection ... I am unable to see how you retain the federal principles in a series of function by function agreements. We were not able to achieve this in welfare, except in one province and I doubt that the situation has changed because of the policy proposal. Also the idea of extending services under a functional agreement or a regional basis suggests even more problems in financing. One of the basic disadvantages, and this is one that was strongly expressed by Saskatchewan and British Columbia in earlier years, was that any such arrangement requires them to separate Indian costs from non-Indian costs, a practice that is not only discriminatory, but, requires major adjustment in their administrative procedures.

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In having a basic lack of faith in the probability of a function by function approach achieving any great change for many years, I am not suggesting that there must be a complete changeover from federal to provincial service responsibility. Then what do we mean when we talk about a comprehensive agreement ... My own view is that a comprehensive agreement simply sets the stage, outlines the order of the acts to follow, and most important sets the formula for financing the acts ... It seems inevitable that with the best of intention there must be a staged approach to enable a province to gear up its staff and administrative practices to

meet the special problems that Indians present. This means that for some indefinite period there may be both federal and provincial services flowing to bands in a province. It is not inconsistent with the idea of financing a comprehensive proposal that dollars expended by the federal government in continuing its responsibilities, until the province has assumed full responsibility, should be deducted from the total that would be paid the province if it had assumed full responsibility ..."<sup>8</sup>

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8. L.L. Brown to Assistant Deputy Minister, Indian Consultation and Negotiation, October 7, 1969, RG10 file 1/42-1, Vol. 5.



1969-70

Shortly after the publication of the 1969 policy proposals, whose content and history need not be detailed here, contact was established with provinces at the level of senior officials on both sides. Early in 1970 the Hon. Jean Chrétien wrote to all provinces along much the same lines; some excerpts are, "On the basis of meetings and discussions of this kind that we have had in all provinces, I am convinced that there is no fundamental disagreement with the main elements of our proposed policy"<sup>9</sup> and "I am most pleased that one of the more important of the policy proposals, that provinces should extend the full range of their services to the Indian people, under a formula involving the transfer to the provinces of federal funds normally provided for Indian programs is one in which some progress can be made".

With respect to the formula Mr. Chrétien proposed "... that the Federal Government transfer to the province funds sufficient to meet the cost of extending regular provincial services to the Indian citizens of the province for a significantly long period of time. The amount of money to be transferred would be established in consultation between our officials. I envision the definition of a base year figure, which would be more or less equivalent to the amount of money spent by the Federal Government in providing the services concerned in the year prior to that in which an agreement might take effect. I would think it proper that the base year figure, mutually agreed upon, should be escalated for a period of time - say, ten years, at a rate which would take account of increases in the Indian population, the general cost factor and such other elements as we might agree to. I think that that period might be followed by another period of more or less equal length, during which the amount of money transferred would be constant, and that, finally, there should be another period of more or less equal length during which the transfer of funds would be gradually phased out".

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9. The Hon. Jean Chrétien to the Hon. J. Yarenko of Ontario, February 1970, all quotations are from this letter; very similar letters went to the other provinces.



Shortly after this of course the reaction of the Indian leaders caused the policy proposals to be withdrawn. This reaction also caused provinces to adopt the policy of considering the extension of any services only if the Indian people concurred.

#### 1971 to Present

In June, 1971 the Hon. Claude Castonguay wrote the Hon. John Munro, then the Minister of National Health and Welfare stating that Quebec would like to conclude an agreement under Part II of the Canada Assistance Plan. Although no reference was made to a cost sharing formula by Mr. Castonguay, officials of National Health and Welfare reported that the formula authorized in 1964 was not acceptable to Quebec and to none of the other provinces with whom agreements might be possible. The two departments therefore joined in seeking a more acceptable formula and in May 1972 an Order-in-Council (P.C. 1972-8/1017) was issued authorizing cost sharing for agreements under Part II of Canada Assistance Plan which would reimburse provinces 100% of the costs of assistance and services provided to Indian people on-reserve and 50% of the cost for those provided to Indian people off-reserve. This was announced to provinces by the Hon. Marc Lalonde and to the presidents of the various Indian associations by the Hon. Jean Chrétien. A number of provinces indicated an interest, but the reaction of the Indian leaders was negative - they related the proposal to that of 1969.

In view of this negative reaction and in view of the fact that through the newly instituted Work Opportunity Program, DIAND was attempting to co-ordinate the use of funds including those allocated for social assistance, DIAND decided to withdraw the proposal for CAP agreements. (If agreements had been signed, costs would have been the responsibility of National Health and Welfare and the \$60,000,000 then budgeted by DIAND for social services would have disappeared from the DIAND budget). This decision was announced to provinces by the Hon. Marc Lalonde and to Indian associations by the Hon. Jean Chrétien - the possibility of ad hoc arrangements between DIAND and any province was left open.

Mr. Robinson, Deputy Minister of DIAND, was invited to the April, 1974 meeting of Deputy Ministers of Welfare, principally to discuss off-reserve services. One aspect of the meeting was the presentation of a model for provincial delivery of child welfare services to Indian communities by Mr. Rawson, the Alberta Deputy. Following the meeting, Mr. Robinson wrote to a number of the provincial deputies inviting follow-up discussions, but no response was received.

Throughout the period 1972-75 considerable attention was given to the off-reserve situation by both DIAND and National Health and Welfare. This culminated in a decision late in 1975 to approach provinces individually rather than to seek Cabinet authority for action to seek compliance of provinces with the requirements of the Canada Assistance Plan about legal residence as a criterion of eligibility for assistance (some provinces do require this on the part of Indian people).

Approaches were made to Manitoba, Alberta and B.C. and as a result discussions are now under way with those provinces. In Alberta and B.C. these are presently concerned with the welfare services, but Manitoba appears to be interested in pursuing a comprehensive agreement. Ontario is now in the process of reviewing its role in relation to services for Indian people and has indicated a desire to involve DIAND in discussions following that review. Such discussions will involve a comprehensive range of services.

It would appear that we are now approaching a degree of activity in Federal Provincial Relations comparable to that of the middle 1960s. Some of the same questions still face us, namely: cost sharing formula and the function by function versus the comprehensive approach. Answers to these will have to be sought in the very near future.

September 20, 1976.

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September 1976.

Ontario Formula

(2) Canada agrees, upon and subject to the terms and conditions herein set forth, and upon receipt of a claim therefor in form and content satisfactory to Canada, within six months after the 31st day of March in each year or such greater period as may be agreed to in respect of that year by the Minister of National Health and Welfare,

(A) to make a contribution to Ontario in respect of the cost in that year of the Financial Assistance Component of the Aggregate Ontario Welfare Program provided to Indians with Reserve Status, by paying to Ontario in respect of that year a sum which bears the same ratio to the total cost to Ontario of that component so provided, as

(a) the sum of

(i) 50% of the per capita cost of the Financial Assistance Component of the Aggregate Ontario Welfare Program provided to persons other than Indians with Reserve Status, that year, and

(ii) 100% of the amount by which the per capita cost of the Financial Assistance Component of the said welfare program provided to Indians with Reserve Status in the Province, for that year, exceeds the per capita cost of the Financial Assistance Component of the said welfare program provided to persons other than Indians with Reserve Status, for that year,

BEARS TO

(b) the per capita cost of the Financial Assistance Component of the said welfare program provided to Indians with Reserve Status in the Province, for that year;

(B) to make contributions each year to the Province in respect of the cost in that year of the Service Component of the Aggregate Ontario Welfare Program provided to Indians with Reserve Status by paying to Ontario in respect of that year a sum which bears the same ratio to the total cost incurred by Ontario of such component so provided as the contribution payable by Canada for that year pursuant to sub-paragraph (A) hereof bears to the total cost of the Financial Assistance Component of that program so provided to Indians with Reserve Status in that year.

(B) to make contributions each year to the Province in respect of the cost in that year of the Service Component of the Aggregate Ontario Welfare Program provided to Indians with Reserve Status by paying to Ontario in respect of that year a sum which bears the same ratio to the total cost incurred by Ontario of such component so provided as the contribution payable by Canada for that year pursuant to sub-paragraph (A) hereof bears to the total cost of the Financial Assistance Component of that program so provided to Indians with Reserve Status in that year.





*Hold for*

August 4, 1976.

Mr. Arthur Kroeger

Your file / Votre référence

Our file / Notre référence

I am responding to your request of July 19, 1976 for a paper summarizing attempts that have been made over the past 15-20 years to arrive at a mutually acceptable division of responsibility with provinces in respect of status Indians. First, there is a considerable volume of material on the Federal Provincial Relations files so that we doubt that we will be able to have a complete picture available to you by August 23. For this reason we will be concentrating on the area of the social services although if the nature of the records indicate that it is desirable to cover a broader range of services we will do so but we may not have the complete period covered by August 23. If we do cover only the social services other areas will be the subject of a subsequent paper.

*Yes - this is primarily what I had in mind*

The earliest date of any of our present arrangements with provinces is in the early 1960's so we will begin our survey with the year 1960 unless the record indicates that there was a major development in the immediately preceding five years.

*red O.K.*

I trust that the above will meet your needs in this matter.

*Yes*

①

*[Signature]*

P.C. Mackie,  
Assistant Deputy Minister,  
(Indian and Eskimo Affairs).



② *Mr. Rogers*

*Henry - you've got a green light!*

③

*Ken*

*For your info - notes in red are by J.M.H.*

*5/08 I*