

Book Reviews

The Economic Impact of the Public Sector Upon the Indians of British Columbia: An Examination of the Incidence of Taxation and Expenditure of Three Levels of Government, by D. B. Fields and W. T. Stanbury. University of British Columbia Press, 1973. pp. 284. \$7.00.

In July 1967, for reasons no more devious than the desire for information, the Indian Affairs Branch of the federal government commissioned U.B.C. commerce professor D. B. Fields to undertake a study of "the financial significance of the special status of Indians as taxpayers" in British Columbia. By "special status" was presumably meant the (registered) Indians' exemption from tax on income earned on the reserves, their tax-exempt use of reserve lands, and the special services provided to them by the federal government. The terms of reference went into more detail than that, mentioning such matters as the taxes paid by non-Indians who lease reserve lands, the spending patterns of the Indian people, and their potential ability to pay income tax. Implicit in the structure of the project was a request for some sort of a balance sheet; bluntly stated, an answer to the question whether the Indians were costing the governments more money than they were contributing. Thankfully, and for good reasons, this spurious question did not get answered.

Professor Fields, joined shortly by his young colleague, Dr. W. T. Stanbury, accepted the commission as one offering theoretical and methodological challenges as well as being of much intrinsic interest and importance. They found the data to be unexpectedly rich, and to be freely available from all the government departments concerned. The information obtained from provincial sources, however, was given on the condition that it was not to be made public until released by both governments, which is what permitted Premier Bennett, for reasons never made clear, to suppress the report for the remainder of his term of office. The research was done mostly in 1967, and the finished report submitted in September 1968. It was not released until late in 1972. In spite of uncommon

alacrity on the part of the authors and the U.B.C. Press, therefore, the data are regrettably six or seven years old on publication.

The reviewer is not an economist, and is not able to judge the report by the tests of that discipline. I can only admire the abundance of data that was assembled, and the evident skill and care with which they have been analyzed and presented. The report is a book of thirteen chapters, in two parts. Part I deals with what the governments spend on Indians: for education, social welfare, community development and housing, the administration of justice, and their share of "public goods" (the measureless benefits of such things as NATO contingents). Part II deals with the tax revenues, such as they are, which Indians and Indian lands contribute to the ministers of finance: personal income tax, corporation income tax, taxes paid by non-Indians leasing reserve lands, sales, customs, excise, estate, and succession duties. The final chapter is a summary listing of the facts, in point form. Just the facts. Not conclusions, because "... conclusions are not matters of economics, but value judgments" (p. 278). Value judgments are for those burdened with policy-making. Not recommendations, because they, too, would require value judgments, and because recommendations on social policy should not be made solely on the basis of economic facts. Just the facts. For sound theoretical reasons, too, the authors do not provide a balance sheet. They make it clear at the beginning that the study is not, and should not be, a "cost-benefit" analysis (p. 2). But I think I detect a faint tone of regret that they were not able to do it in another way, that they were "... not able to provide, in a concluding chapter, a magnificent finale in the form of a total picture of *net fiscal incidences* . . ." (p. 3).

In 1967 a study of the Indians of British Columbia could still concern itself predominantly, as this one does, with registered Indians living on reserves. However, recent years have seen a growing proportion of the registered (status) Indians residing off the reserves (from 14.2% in 1962 to 33.5% in 1972), and also the sudden emergence on the public scene of those who call themselves "non-status Indians" and who now estimate that they number more than the status Indians. Readers of this journal will already be aware that the same authors have continued an active interest in these groups, and that their more recent publications, now forthcoming, are the best available sources of information on the circumstances of the off-reserve and non-status Indians of the province.

While the book purports to be about dollars, it is also very much about people. The chapters of Part I deal not just with the costs of government services to the Indians, but also (in statistical terms) with their effective-

ness. Despite the stance they must take as economists, the authors are not just dealing in cold economic facts; in their 1973 Foreword, at least, they let it become explicit that their interest lies also in the social problems "of which the data are only symptoms." From that point of view the report is the fullest recent orchestration of the litany of woe, already somewhat familiar, concerning Indians and education, Indians on welfare, Indian health, Indian housing, and Indians in trouble with the law. It is the most complete and up-to-date catalogue available of the economic and social circumstances of the Indians of the province.

The profile that emerges is not completely black. It shows the rapid improvements that are taking place, statistically, in such things as the effectiveness of the education system as more Indian students reach the higher grades, and in health care as old problems like tuberculosis fade from the scene. Nevertheless, it is still appalling. The standard used to measure the Indian condition is the provincial average, and the interplay of the Indian incidence and the provincial average almost becomes a refrain. The incidence of Indian welfare dependency, both on and off reserves, is eight times the provincial average; the incidence of child welfare problems is eight times the average; of hospitalization, 2.5 times; of indictable offences, 3.6 times, of men in jails, ten times; of women in jails, 20 times. . . . In some cases where the figures seem to show that the Indian people are no worse off than the average, for example, the incidence of mental health care, one suspects under-reporting; that is, that too many Indians who should be receiving mental health care have been sent to jail instead. On the basis of the statistical profile it can only be concluded that the circumstances of the Indian people are wretched indeed.

The dollar costs of government services to Indians are being paid through increasingly complex webs of federal-provincial cost-sharing arrangements, where things are seldom what they seem and nobody is quite sure how they *should* seem. For example, when "education" is the constitutional responsibility of the provincial government and "Indians" the responsibility of the federal government, where is the responsibility for "Indian education?" The federal government, taking pains to make clear that it has no firm constitutional requirement to do so, has been buying Indian children places in the provincial schools: in 1967 they were paying \$250 per student. But the real costs, we learn, were twice that amount. Does this mean that the provincial government, to its credit, was "subsidizing" Indian education? Or that to its shame it was really only ready to assume half of its proper responsibility? The price this year, I under-

stand, has been bargained up to about \$750, and the buying and selling of Indian children still goes on.

It is to the authors' great credit that they cut through to the facts of these complicated, and sometimes downright murky, cost-sharing arrangements and lay them open to the light of day. I think I had better admit that the fiscal intricacies of some of them, like those for Indian health care and hospitalization, are still beyond my comprehension. It is not the authors' analysis that is too complex, it is the situation itself. Someone, soon, is going to have to say some blunt and forceful things about this spreading choking jungle of red tape.

Part II examines the incidence of taxation on the Indians and their reserve lands, and is, for me at least, all new information. All types of taxes are considered, but most of the discussion dwells on the two that yield any sizeable amounts of revenue: personal income taxes and the taxes paid by non-Indians who lease Indian lands. There is, for example, a short chapter on the ways in which estate taxes and succession duties presumably apply to Indians, although there seem to be no cases on record of Indians wealthy enough to pay these. Similarly, the chapter on corporation income taxes explains that Indian-owned companies presumably pay taxes on the same basis as all others (and will, until they learn to utilize existing provisions of the Indian Act to exempt themselves), but there are "less than a handful" of such corporations in B.C. Indians as consumers undoubtedly pay their full share of sales taxes, but lacking information on the patterns of their spending, the authors do not find it possible to say what that share is.

The personal income tax is one which might be expected to yield considerable revenue, since Indians are required to file returns on income earned off the reserves, and that is the great bulk of their earned income. However, in 1967, according to the authors' careful analysis, Indians paid less than a tenth as much per capita as non-Indians. Only a fifth as many filed returns; of these only a little over half were taxable; and of these only half showed assessed incomes over \$1500. Four-fifths of the Indians who filed returns (the wealthy ones) had incomes below the "poverty line" of \$3000. Again, it is an abysmal picture.

Indian reserve lands are not subject to tax (until such time as the bands get around to setting up forms of local government with that power). But non-Indians who lease reserve lands for commercial and other uses are required to pay taxes as if they owned the land. They do not pay them (yet) to the bands, but to the adjacent municipal or provincial authorities. Leases are indeed a source of revenue to some bands, but

they are not a fully effective one, because in effect the bands have to lower their rental rates by the amount that the lessees have to pay out in taxes. The bands, that is to say, have to bear the burden of the taxes paid by their lessees. In 1967, Indian bands in British Columbia received \$850,000 in lease revenues, but at the same time they "lost" an additional \$900,000 which lessees paid out in taxes. The story is not quite that simple, of course, but that is its essence. If they were to create the proper forms of local government, the bands could impose these taxes themselves; and if they were to form corporations to undertake their own developments on reserve lands, they could receive all of the economic benefits, and in tax-exempt dollars. These developments, as I understand it, are now legally possible.

Relatively few of the 190 bands in the province have reserve lands which are in demand for leasing purposes. In 1967 only about a dozen were receiving any substantial amount of income from that source. Of these, seven accounted for over 60%, and one (Squamish) for a full quarter of the total. To get some idea of how well these lease arrangements were being managed, the authors commissioned a land consulting firm to examine in detail seven reserves of five of the most fortunate bands (Squamish, Musqueam, Cowichan, Kamloops, and Cape Mudge). In about half of the cases, apparently, the leases were being managed in such a way as to earn as much as the market would bear. But there were enough bad long-term leases and other inefficiencies of policy and practice to warrant criticism of the Indian Affairs Branch. And it does not seem that anybody in authority was working very hard to promote the above-mentioned changes which would permit the Indians to get full value from their real estate.

This is one of the sections where I felt that a broader perspective might well have been put forward. By the accidents of history a small number of "have" bands now hold a few pieces of desirable real estate. But what about the "have not" bands, who are the great majority? And what about the rest of the 1600-odd reserves scattered throughout the province, most of which are now rendered useless to the Indians and legal thorns in the side to administrators? Is it too late to ask whether the Indian people have ended up with a fair proportion of the real estate which was once all their own? The large and weighty question of aboriginal title to the whole province is perhaps approaching resolution. Couldn't those who sit down to negotiate the great settlement do something more than a minor patching job on the chaotic and inequitable pattern of Indian lands that exists today?

I find it difficult to guess what reason the Bennett government could have considered strong enough to justify withholding this report, not from the political adversary in Ottawa which had commissioned and paid for it, but only from the people. No new and damning revelations came to light with its release. Such criticism as the report does make is not a partisan nature, nor is it directed solely at the province. Some politically-sensitive facts were brought into the open, such as, (if I understand them correctly) that the provincial government really pays only half of the costs of social welfare in the province and three-fifths of the costs of public health, and that one segment of the population, the doctors, in effect subsidizes the medical plan to the tune of a couple of million dollars a year. But for purposes of the on-going, buck-passing debate with Ottawa over Indian affairs, it can as well be read to provide ammunition for the provincial side. Perhaps the suppression of the report has to be laid to political style, or tactics, or arrogance. Perhaps the fresh revelation of Indian poverty was somehow to be feared. But in my mind the blame must be laid in some degree to that chronic state of bafflement and semi-hostility which Victoria has exhibited on the major issues of Indian affairs since Governor Douglas retired. It is a neurosis so deeply ingrained that in spite of the best intentions to the contrary it seems to survive all changes of government. Our new premier, to his credit, did release the Fields-Stanbury report. He probably even read it, and picked up there the gentle hint that Indians on reserves are also citizens and should also have access to the home-owners' grants and home-acquisition grants. For further reading, to prevent lapsing into the traditional provincial state of mind, I would suggest that he go back to some of the strong and still cogent recommendations of the Hawthorn reports.

What overview are we, who are not policy-makers but may permit ourselves value judgments, to take of the situation revealed by the report? The "givens" suggest conclusions in their own terms. We are given facts about Indians and a standard to measure them by, and it is quite obvious that the Indian people are suffering relative deprivation of severe proportions. We can assume a stance of outrage (as the Vancouver *Province* did in its exposé of four chapters leaked to it by Frank Howard, M.P., April 1, 1972), trumpet this version of the facts to the skies, damn the governments, and try to force them to patch up the system at every point where it is deficient until the statistics on Indians are more on a par with the provincial average. I do not argue against that logical and reasonable line of thought, but I do think it needs a little leavening, and a broader field of view.

I don't want to be caught saying that the situation on the reserves isn't really that bad. But there are other relevant things that can be said. It would be wrong to reach the tempting conclusion that all Indian reserves are wholly without virtue as places to live and grow up (even when we leave out of consideration the realistic alternatives that exist for many Indian people). Reserve life can have a social richness which is not matched in the concrete jungle. And even the "facts" can be misleading at times. For example, the report expresses strong concern over the number of children receiving social assistance under the category "living with relatives." Proportionately, twenty times as many Indian children "are not living with their parents" (p. 67), or "do not live within the normal family unit" (p. 70), as is the case in the non-Indian population of the province. While I do not want to push the point too far, the difference could in part reflect a valid and healthy difference in cultural norms. Can we rightly impose on the reserve societies our concept, perhaps misguided even for us, that the nuclear family is the "normal family unit"?

My final comments are not really about the report but are an attempt to put it into a broader perspective by mentioning some other things that are also going on. The decade that produced such a dark profile of Indian life has also seen a major shifting of premises on the place of the Indians in the larger society. It has seen, for example, the emergence of the non-status Indians. The number of people proclaiming their Indian heritage and demanding their just rights on that basis has suddenly more than doubled. A surge of political development, subsidized by new policies of government funding, has brought into existence united organizations of both status and non-status Indians on both the provincial and the national levels. As a result of the 50-50 decision of the Supreme Court of Canada on the Nishga case, the Indian side of the venerable B.C. land question has gained enormous legal strength, to the point where the federal government seems finally to realize its responsibility to negotiate a settlement. Soon we shall be asking not just whether the Musqueams are getting a fair deal from their lease to the Shaughnessy Golf Club, but what it will take to compensate all the Indian people of the province for aboriginal rights which were unjustly taken away, and for the relinquishment of their aboriginal title to all the lands. In addition, we are experiencing a resurgence of awareness of the Indian cultures, not just on the reserves (stimulated by the First Citizens' Fund and other cultural grants), but "off-reserve" too, involving linguists, archaeologists, and a new elite of young Indian artists. The broader community is coming to re-evaluate the cultures that we borrowed for safekeeping in the name of

anthropology: coming to realize that Indian art can indeed be fine art, that the Edenshaws were powerful intellects grappling with man's great truths, that spirit dancing has something to teach our psychotherapists; in short, that the Indian cultures held, and hold, values which we need and must learn. These things do not yet carry much comfort back to the reserves, but they are happening too.

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A Small and Charming World, by John F. Gibson. Toronto and London: Collins, 1972. pp. 221, \$6.95.

The unfortunate title of this book suggests an Edwardian's reminiscences of Mousehole or some other Cornish fishing village which, in fact, could be "charming" only to the casual visitor. To discover, instead, that the book recounts selected observations and experiences of a provincial social welfare worker in some of the remote settlements of British Columbia's Indians comes, therefore, as somewhat of a shock. And as one reads the stream of anecdotes and more extensive "case histories," and is reminded of the chasms between welfare's provisions and workers' performances, in the world of social agencies, and what the people have to cope with, in their own "small and charming world," one begins to wonder about the values of the person who wrote this essentially personal narrative. Families are left homeless when their uninsurable houses suddenly go up in flames. Adolescent girls ask to be placed in foster care away from their familial difficulties, then want to return to the reserve after a brief taste of a materially privileged but alien way of life, then run away from their poverty-stricken village. "I used to come from one of the Hagwilget houses and feel as if I had been on holiday," writes the author immediately after remarking that "in the face of death or disaster, there was no tension." Elsewhere he says, "Possibly I am being influenced by a spell, by the enchantment of an almost timeless life."

And yet this book, addressed to the general public, has a mixed bag of messages, some of which very much need to be published and read and thought about. First, though the author is a government agent, he is in no sense a defender of the realm vis-a-vis the Indians, and many of his tales dramatize the dysfunctional efforts of the social services. Secondly, he is a respecter of whatever is left of the integrity of life on the reserves.