INDIAN POLICY IN THE NEW CONSERVATIVE GOVERNMENT. **PART I: THE NIELSEN TASK FORCE OF 1985**

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AUTHOR'S PREFACE

In the spring of 1985, a major controversy erupted over Indian policy in the new Conservative government. The conflict arose when confidential information from the cost-cutting Nielsen task force on Native programs contradicted recent public statements by the Prime Minister, raising serious questions about the government's integrity in dealing with Indian people. This paper attempts to provide an overview of Indian policy develop-ments in the new government by examining the recommendations of Nielsen's task force in the context of recent policy initia-tives. The paper argues that although the Prime Minister sought "a fresh start" to issues, the cabinet received old bureaucratic advice from the task force which was incompatible with innova-tive approaches being developed by the Minister of Indian Affairs. In short, two competing and irreconcilable paradigms exist in the Indian policy field. Part I of the paper summa-rizes the recommendations of Nielsen's task force and the policy content of the ensuing controversy. Part II, to appear in Volume 2, No. 2 of the Native Studies Review, places the task force paradigm in the context of recent policy initiatives, especially those of the Minister of Indian Affairs. The paper concludes with observations on the current status of policy reforms. reforms.

INTRODUCTION

The Trudeau Liberal era (1968-84) gave rise to many changes in Indian affairs, especially in constitutional reform and in the growth of socio-economic programs. For the first time in Canadian history Indian First Nations had developed a daunting political capacity to influence national policies, but their socio-economic conditions seemed to improve little under the multitude of government-designed programs (DIAND 1980:3-4).* By the end of the era, the cabinet seemed incapable of generating policy decisions on its own priorities of Indian self-government and the status of Indian women, and the process of settling northern land claims had become protracted. Few would disagree with the view that a reappraisal of policies and programs was needed.

*For a list of abbreviations, see Appendix A NATIVE STUDIES REVIEW 2, No. 1 (1986), 1-43.

That "a change" was more widely needed in government was expressed forcefully by Canadians in the September 4, 1984 election when they gave the Progressive Conservative Party a massive mandate to govern. But the directions of the new Mulroney government in Indian policy were unknown for little was said of these issues during the election campaign or in the Speech from the Throne. Nor were the policy directions of the new Minister of Indian Affairs, David Crombie, evident. It was uncertain whether he would follow some specified but publicly unknown agenda of the Prime Minister, or whether he would be free to adopt his own policy orientation. He had also the additional options of picking up the unfinished initiatives of the Liberals or those of his Tory predecessor, Jake Epp, in the Epp's preferences, short-lived Clark government of 1979-80. though not fully developed, clearly favoured community-based planning and consultation rather than dealing with Indian political organizations, and they foreshadowed the need for a major overhaul of the bureaucracy in the Department of Indian Affairs and Northern Development (DIAND). In time it became apparent that under the new Mulroney government, as under the new Trudeau government in 1968, the course of Indian policy would be influenced by events within the cabinet as much as it would by departmental priorities at DIAND's level.

The top government priority to impact most visibly on the course of Indian policy was the desire to cut back spending in order to reduce the national deficit. To implement this objective the Prime Minister appointed Erik Nielsen, the powerful Deputy Prime Minister, to head a Ministerial Task Force to undertake a cost-cutting review of all government programs. In mid-November, amid rising criticism of excessive secrecy in the new government, Nielsen identified Native programs as one of the 5 nineteen fields eventually slated for review, and in mid-February 1985 he provided a more detailed picture of his overall operations including the mandate and the membership of the first six individual task forces. Like the others, the Task Force on Indian and Native Programs was to complete its work in three

months time, reporting its recommendations to cabinet by April 26, 1985.

In the meantime, developments in the field of Indian policy were relatively low-key, though not uneventful. Crombie, whose appointment as minister was enthusiastically welcomed by Native leaders, began extensive consultations with Indian chiefs and councils throughout the country. As Joe Clark's Minister of Health and Welfare, he had been highly regarded by Indian leaders and his expressed hope to be the last minister of Indian Affairs to have major control over Indian lives was received favourably by Indians, largely because of his desire to establish Indian self-government. Describing his department as the last bastion of "colonial" rule understandably aroused a certain anxiety within DIAND, but its role was more sharply examined in the early November decision of the Supreme Court of Canada on the Musqueam band. The judgment strongly indicted DIAND for failing to honour its fiduciary (trust) obligations to the British Columbia Musqueam band in a 1957 land-leasing transaction. This precedent-setting judgment opened new avenues for other bands to pursue their long-standing grievances against DIAND's management of their lands and funds, and it had unsettling implications for DIAND's future role. But its confirmation of the federal government's special trust responsibility to Indian people delighted Indian political organizations, including the Assembly of First Nations (AFN) representing Canada's 350,000 status Indians (AFN Bulletin 1984a).

The general quiet on the Indian policy front began to show cracks on April 2-3, 1985, when the new government conducted its first constitutional conference on Aboriginal rights. In opening the nationally televised First Ministers Conference (FMC), the Prime Minister gave a direct and forceful speech in which he expressed his government's deep concern over the socioeconomic conditions of Native peoples, indicating that "... more welfare. More social workers. More programs..." were not the answer (Mulroney 1985:160). Rather, his government intended to improve socio-economic conditions by encouraging the development of Native self-government--the solution to poverty and dependency (Mulroney 1985:161). He promised an "up front and open" approach to Native issues, and urged the premiers and Native leaders to find acceptable compromises on the items before them, the main one being the entrenchment of the right to self-government in the constitution (Mulroney 1985:158). But the conference failed to produce an accord on self-government and, in an attempt to salvage some gain, he proposed another meeting in late May.

Before this meeting occurred a political storm broke over the field of Indian policy which not only jeopardized the government's relations with the AFN in the constitutional forum but also severely damaged the government's trustworthiness among Indian people.

The controversy arose in mid-April and again in early May, when the public disclosure of confidential information from the Nielsen task force on Native programs revealed very different thinking within cabinet than that publicly expressed so recently by the Prime Minister at the constitutional conference. The contradictory approach to Indian policy signaled to the public either duplicity in the government's dealings with Indians or unresolved differences within the government over basic policy issues, both explanations being offered by parliamentary critics and First Nations spokesmen in the ensuing furor.

Although the contours and substance of the new government's policies for Indians have been slow to materialize, it is perhaps not too premature to examine policy directions which are publicly evident to date. This paper attempts to provide an overview of policy developments in the Conservative government by examining the recommendations of Nielsen's task force on Native programs in the context of recent initiatives in Indian policy. The proposals of the task force, and the policy content of the ensuing controversy are summarized in Part I of this paper. In Part II, the ideas of the task force are examined in the contexts of the government's major political priorities, and those emerging in DIAND both before and after the controversy. Guiding the analysis will be the questions of whether the ideas of the task force constituted "a fresh start" as the Prime Minister sought, and whether they were compatible with DIAND's initiatives.

NIELSEN'S TASK FORCE ON NATIVE PROGRAMS

New governments can offer promise of novel approaches to issues. Because ministers are less encumbered by entrenched policies and vested political interests they are thought able to explore new ideas more fully than their predecessors. Thus program and policy reviews are often attempted in new regimes so ministers can redirect policies and, in times of financial restraint, free-up monies from curtailed programs to implement their own preferences. But a government-wide review of all programs such as Nielsen attempted can be fraught with problems for governments. To begin with, the review was a massive exercise, one possibly doomed by its own weight if not by the eagerness of new ministers to launch their own initiatives before the reviews were complete. The coordination of such reviews with on-going commitments of government or with developments at the level of individual departments is by no means a foregone conclusion. Nor is it necessarily sought, especially if a break with the past is desired and the department itself is seen as part of the problem to be tackled. In addition, such exercises can be mounted on the faulty assumption that in the Canadian cabinet system a minister's portfolio can be investigated and altered by the intervention of officials (bureaucrats) or ministers other than the Prime Minister. Furthermore, when the reviews are mounted at the cabinet level, removed from departments and even more remote from the real politik of their relations with clients, the consequences for government, let alone for the client groups, can be traumatic. And when the reviews are conducted in such isolation within government that they ignore recent prime ministerial statements on the policy field under examination, they can be politically damaging to government.

Many of these problems were evident in the first year of the Trudeau government when widescale policy reforms were sought. A major review of Indian policy was spearheaded by the Privy Council Office (PCO) and the Prime Minister's Office (PMO), the respective bureaucratic and political advisory wings of the cabinet (Weaver 1981), and the resulting 1969 White Paper (DIAND 1969) was swiftly denounced by Indians. They opposed its proposals because they had been led by well-meaning ministers to expect revisions in the Indian Act and participation in the policy-making process through consultation. Instead, with no prior consultation on the proposals, they were presented with a global policy which proposed terminating their highly valued special rights and relationship with the federal government, and transferring their affairs to the distrusted provinces. The Prime Minister publicly shelved the proposal a year later (Trudeau 1970) after receiving the Indian counterproposal (ICA 1970). However, the ideas in the White Paper continued to influence the thinking of ministers, and three years passed until DIAND finally managed to secure cabinet's official agreement "to suspend" the policy.

The Nielsen task force on Native programs repeated many of the features of the 1969 White Paper, particularly in the isolated preparation of proposals at the cabinet level and in its recommendations to dismantle DIAND and transfer Indian programs to the provinces. But unlike the early Liberal era of economic prosperity and program expansion, the Conservative government operated in a period of economic recession, its reforms being sought in program and expenditure reductions.

Nielsen's government-wide program review was the major vehicle to reduce waste and duplication in government spending, and its activities were rationalized by the need "to reform and 14 by producing packages of programs in each department that were "simpler, more 15 understandable and more accessible to their client groups." It was a streamlining cost-cutting exercise of consolidating, eliminating and reshaping programs to produce savings. The attitude Nielsen brought to the review was one in which "we do not assume that because a program exists, it must be presumed to

have a right to exist."¹⁶ He viewed each program as "a monument to some problem of the past," often an <u>ad hoc</u> response developed without much regard for related programs, and this begged the question of whether "the original problems still exist and to what extent the original solution is still valid."¹⁷ The complex, uncoordinated accumulation of programs also produced management inefficiencies which he illustrated, among other examples, by asking whether it made sense to take ten years of planning to build a school on an Indian reserve. The general intent of the program review was explained as "spending smarter."

The specific recommendations on Native programs not only reflected these budget and management goals but also reflected the Prime Minister's major political priorities. In the Throne Speech in early November 1984, he sought "a fresh start in the search for answers" to problems facing Canadians, by pursuing three themes: "national reconciliation, economic renewal and justice." His emphasis was on the first two. Under social national reconciliation, his management of federal-provincial relations would seek to "harmonize" the policies of the two levels of government, respect jurisdictions and "end unnecessary and costly duplication." Under economic renewal he sought to reduce unemployment primarily by expanding the small business sector to create jobs, and in the field of social justice he proposed reforms in regard to the status of women and the social security system. In terms of government actions, Nielsen's program review, linked to the economic renewal theme (DPMO 1986:2), was given top priority, second only to reforms in the House of Commons.

In its structure, the task force consisted of a four-member Ministerial Task Force of politicians at the top, composed of the ministers of Finance, Justice and the Treasury Board, under 21 Nielsen's chairmanship. Bureaucratic support came from the PCO and Treasury Board Secretariat, and public input at the top level came from a newly appointed Public Sector Advisory Committee whose membership reflected the government's

preoccupation with business and financial interests. The actual work of reviewing the programs was done by small study teams (individual task forces) of mixed membership from the civil service and the public. The teams were to consult relevant departments in preparing their recommendations for improving the "relevance and efficiency" of programs. Their findings and advice, together with that from the Public Sector Advisory Committee, were to be considered by the ministers in the task force and converted to recommendations for these and other ministers in the powerful Cabinet Committee on Priorities and Planning chaired by the Prime Minister. The implementation of the cabinet's decisions was to be "monitored" by the Ministerial Task Force, and government action could take various forms, including recommendations for the up-coming May 1985 federal budget or actions by individual ministers at the departmental level.

The task force (study team) on Indian and Native programs, consisting of nine members, was headed by Jim Collinson, a civil servant from the Office of Aboriginal Constitutional Affairs (OACA) who had a history of involvement with Native economic programs in the former Department of Regional Economic Expansion (DREE). The remaining five civil servants came from DIAND, the Department of Regional Industrial Expansion (DRIE), the PCO and Treasury Board. The three non-governmental members came from consulting firms in the field of Native affairs. Like the other five task forces established by January 1985, its terms of reference required it to examine programs to make them simpler and more accessible to the clients, to eliminate duplication between federal and provincial programs, and to identify gaps and consolidate where advisable.

The unique features of its mandate, however, revealed the study team's ideological approach. It was required to identify "the needs" of the client group, to estimate the cost of "major 23 pending liabilities," and to determine whether the programs for Native peoples existed "because they are native or because they are poor and disadvantaged." The last phrase was the standard expression of ministers and public servants in the Trudeau regime who were ideologically opposed to the recognition of special rights for Native peoples. Consequently, the implication was that Native "needs," not "rights," were to guide the evaluation of programs. The notion of needs was reinforced in the appendix which painted a bleak statistical picture of 25Native social breakdown.

In total, the task force was to examine 106 federal programs which were directed wholly or partly to Native peoples (i.e., status and non-status Indians, Inuit and Metis). Most of these programs were for status Indians and Inuit in DIAND (sixty-four or fifty-nine percent), the rest scattered in ten 26 other departments. The programs cost an estimated \$2.2 billion in 1984-85 and involved 7,850 person-years in the public service, mainly in DIAND with its staff of nearly 5,500 in 27 1985.

Extensive secrecy surrounded the operations of the study team, and public knowledge of the involvement or the influence of non-members was often contradictory. Judging from comments made later by Crombie, ministerial participation from DIAND was 28 virtually non-existent. Bureaucratic participation from DIAND was minimal. The task force seconded a person from DIAND who then worked under the secrecy oath of the study group, preventing consultation with the department and the Deputy Minister. Although task force officials claimed that DIAND agreed with their findings despite concerns about a potentially negative 29 others close to DIAND assert that this reactions from Indians, was "patently untrue." Certain senior DIAND officials later stated publicly that the task force's recommendations did not 30 represent their thinking. Finally, task force officials also claimed that officials in all the other affected departments 31 generally supported the task force's recommendations, but again, others firmly question this claim.

The predominant feature of the task force that emerges from this confusion and from subsequent events is its excessively isolated operation at the apex of government. It was so shrouded

in its own secrecy that consultations within government were minimal, and so remote from the political realities of the day that prime ministerial statements on national television that pertain directly to the policy field under review went unheeded.

AFN involvement in the task force was limited to a written request from Nielsen that it provide advice, if it wished, and that it might select a few of its staff familiar with programs to meet with the study team. He emphasized the limited twomonth period left in the work and stressed that the exercise "is not a policy review, but a review of existing programs." The National Chief of the AFN, David Ahenakew, had already stated publicly, in October 1984, that he wanted to develop a joint working relationship with Crombie to discuss issues on a regular basis, not receive proposals prepared unilaterally by DIAND's officials. If the government intended to dismantle DIAND in the mode of the 1969 White Paper, he would reject such a move as he 33 had in 1969. Whatever limited contact the AFN had with the task force team, First Nations' views did not inform the viewpoint in the task force's recommendations.

The recommendations of the task force were contained in a sixty-one page draft memorandum to cabinet dated April 12, 1985. The purpose of the memorandum was to secure cabinet's approval of the proposals on Indian and Native programs which derived from the study team's report. Although there is no evidence that the memorandum was approved by cabinet or that it was even considered by the ministerial committee of the task force, it is reasonable to assume from the process that the advice in the memorandum, including its ideological orientation, would have to have had Nielsen's support to get as far as it did in draft form.

It is important to note that the task force was not only socially isolated within government by the norms of secrecy but also ideologically insular within the context of the key Indian policy issues of the 1980s: Indian self-government and constitutional reform. Thus, although these issues were said to be important factors in the policy environment, they were not the

subject of concern, nor, more significantly, did they constitute a frame of reference for the development of the proposals. Also, despite Nielsen's description of the task force exercise as a program review, its recommendations went far beyond mere The core proposals constituted sweeping program prescriptions. policy advice to the cabinet on reorienting the government's role in Indian affairs: They called for a new system of government machinery in Ottawa to handle Indian matters, a new mechanism for federal-provincial relations in the Indian field, and a new, much leaner definition of federal responsibility to As the following summary of the memorandum indicates, Indians. these proposals amounted to a fundamental restructuring of the relations and responsibilities between government and Indian people.

In presenting the case to cabinet, the memorandum defined the problems the government needed to tackle, identified the causes of the problems, and concluded with general and specific recommendations that the government should adopt to correct the situation. The problem for the government to tackle was set out in a line of reasoning which, in its simplest form, stated that Native peoples were in a state of socio-economic deprivation, that government programs had failed to alter this state, that government spending on programs was nevertheless escalating, and that some of the spending went far beyond the government's legal responsibilities to Native people. In expanding on each of these points, the memorandum noted that Native peoples were not only a faster growing and younger population than the rest of had future implications for Indian educational Canada--which programs--but also characterized by higher rates of deaths, hospital admissions, adolescent suicides and unemployment. These conditions prevailed despite the attempts of government to change them, demonstrating that the "net effect" of programs for Native socio-economic development had been minimal. Moreover, the programs were not only costly; they were escalating over time as DIAND's spending illustrated. Between 1973 and 1983, DIAND's total spending had increased from \$0.4 billion to \$1.8

billion. If current programs remained in place, DIAND's spending would rise to \$3 billion in 1985-86 and to \$3.6 billion by 1990. In the broader field of all federal spending on all Native peoples, the costs were projected to rise from \$2.42 billion in 1983-84 to \$5.05 billion by 1990. These figures did not include Indian reserve housing or land claims (both specific and comprehensive). Housing would require an additional \$500 million to bring it up to a point where current spending levels could match the demand, and land claims would cost a further \$8 39 billion over the next five to twenty years.

When these costs were examined against the government's responsibilities to Native peoples, mainly Indians, a picture of spending was produced in which twenty-five percent of it was judged necessary to meet "strictly legal obligations" to Native peoples, and another forty percent was required under the Constitution Act of 1982 (sec. 91.24) "for what would normally be provincial and municipal services." This left thirty-five percent of the spending as "discretionary, based on incremental social policy decisions" of the past decade. It was then noted that regardless of the federal government's legal responsibilities, Indians regarded all programs as "rights," in short, an obligation on the part of the government. The problem statement concluded with the judgment that neither the conditions of Native peoples nor the growth in federal spending were accept-41 able.

In essence, federal spending was ineffectual in addressing the Native condition and escalating at an alarming rate especially if housing and claims were included, but capable of reduction by thirty-five percent in the area of discretionary social programs and possibly by an additional forty percent in the area of "normal" provincial jurisdictions. In short, there was room and reason for savings in government spending on Native peoples.

The memorandum then identified the factors (called "themes") that contributed to the problem of unacceptable Native 42 conditions and costly spending. The key overriding cause of the problem was DIAND. Operating like a mini-state, DIAND's existence focused and perpetuated the view of exclusive federal responsibility for Native peoples, especially for Indians. The memo noted:

> The study team observed first of all that anything having to do with natives, especially Indians and Inuit, is commonly seen as a federal matter and within the federal government as a DIAND matter. As a consequence, a <u>department</u> has evolved over time that is a <u>microcosm of many responsibilities</u> normally found in a wide range of federal, provincial and municipal departments. Yet this department by itself cannot be expected to have the depth of capacity to manage programs to meet all the needs of Indian and Inuit people. [Italics in the original] 43

Also problematic was the focus of DIAND's programs on adults, not youth who constituted fifty-two per cent of the Indian population, and its "national" approach to programming. Like that of the Canada Employment and Immigration Commission (CEIC), this national approach was "not workable" because it prevented "local and regional" flexibility in programs and inhibited the development of "design standards" for housing and community infrastructure which were more in line with the local "needs and realities." The Indian factor contributing to the problem was that the repertoire of programs encouraged Indian and Native communities "to apply for as much as they can get from each one" without developing their own priorities and plans at the local level and taking responsibility for implementing them. The business sector contributed by its inactivity in Native communities even though it "represents the employment and investment capacity so necessary to turn the problem around." Nor were Native people active in the business sector, despite the fact that some Indian bands had extensive capital (about \$1 billion) held in trust and managed by DIAND. The provinces also contributed through their limited involvement, even though Native people "depend on provincial natural resources" and the provinces are spending increasing amounts on urban Native people. The provinces and the federal government were seen to be occupied by arguments over financial responsibility for Indian and Native programs when it was in their better interests to cooperate in order to reduce the cost of programs and enhance

the conditions of Native people. Finally, the problem with programs was that the federal government failed to distinguish between those that were legally required and those that were discretionary, so that monies could be released to address needs.

Essentially, the federal government had gone far beyond its responsibilities by mounting "social policy programs" which were not only ineffectual in altering Native conditions but also discretionary, expensive, and escalating in cost. More importantly, they were reinforcing the notion of Indian "rights" and absorbing funds better spent on the real needs of economic development. The general conclusion was that the federal government had done far too much, whereas Indians, the provinces and the business sector had done far too little. The federal part of the problem was the continued existence of DIAND and broadly-based social programs.

In order "to turn the problem around," the memorandum said a "fresh approach" was needed--a devolution approach. Consequently, its core recommendations were that DIAND should devolve its economic development, employment and policing programs to DRIE, CEIC and the Solicitor General respectively; its financial trust responsibility to a new national Indian trust company; and its community management to Indian communities. All federal programs were to be delivered by the provinces to Native people through negotiated federal-provincial agreements. These agreements required "all original native programs" in both the federal and provincial governments to be negotiated as a package. The comprehensive agreements were to be "custom tailored to address the particular needs of each province and territory," and to take the form of Memoranda of Understanding which would be renewed at unspecified times in the future. The purpose of the agreements was to establish a uniform strategy for program delivery.

In a nutshell, DIAND was to be disbanded in its current form, DRIE and CEIC were to pick up economic and employment programs, and then all programs were to be transferred to the

provinces for delivery to Native peoples. Indians were to assume control of their trust monies and communities, but were assigned no decisive role in the federal-provincial negotiations of programs to be delivered to them.

Following these core proposals, the memorandum presented 46 the specific recommendations on program changes. Briefly, in regard to the physical infrastructure of Indian communities, a "minimum standards" and "user-pay" policy was to be adopted, and in housing a policy of meeting minimal needs both on and off reserves so as to discourage Indians from staying on reserves, where high unemployment persisted, was also recommended. Reserves were viewed negatively as places where Indians, having no other options, chose "to live in virtual guarantine in communities which have no real economic base and, in a number of instances, a disintegrating social and cultural fabric." In claims settlements, specific claims were to be accelerated whereas comprehensive claims were to be put on hold until the government's policy on self-government was established. In health services, closures were to be made of some Indian hospitals, funds were to be terminated for health policy consultation by Indian political organizations, and deterrents were to be developed for "non-insured health benefits." In education, the federal building and operation of reserve schools were to be terminated, as were student residences, and at the post-secondary level the guidance and counselling programs were to be shut down. Funding for student assistance and that for accredited Native post-secondary institutions was to be re-evaluated. In social welfare, the community social services program was to be disbanded, and any important elements incorporated into other social delivery programs. In the field of Native political organizations, funding for consultation on policy development (except the Constitutional talks) was to be terminated and redirected to the local bands, and core funding was to be reviewed to reduce duplication among federal departments. In the area of justice, it was questioned whether DIAND and the Department of Justice should continue to fund Indian litigation which

tested points of law. Band councils were to assume control of local education, child care and health care delivery as selfgovernment progressed, but the program for developing band management plans was to be terminated. Bands were to operate in the future through "negotiated comprehensive community-based plans" and block funding arrangements, but at the current 48 funding levels.

The sum of the recommendations in the social-politicaljustice fields amounted to significant long-term cutbacks in programs and a reduction in support to Native political organizations. At the community level it meant that band councils would be required to take on many new responsibilities under self-government with cutback social programs and no additional financial resources.

In the field of economic development, DRIE was to assume control of all of DIAND's economic development programs, to keep and expand Special ARDA programs, to assume control of the \$345 million Native Economic Development Program (NEDP) from the Ministry of State for Small Business, and to apply "standard 49 business criteria" to all its activities with Native peoples. In employment and training services the key department, CEIC, was to improve and consolidate its programs with a view to promoting long term employment rather than short term job creation. The Public Service Commission was to take DIAND's public service training and related programs.

Overall, economic and business development activities were preferred and promoted by the task force, in keeping with the government's primary interest in the business and financial sector of society. These programs were to be retained and strengthened, and the normal conventions of business practice applied to Native peoples. To the extent that a critical eye was taken to programs in this field, it was targeted to CEIC, not DRIE. Indeed, the main beneficiary of the economic reforms was DRIE with its increased control of programs and its imprint on CEIC proposals.

On the major question of government expenditures, the memorandum concluded that the government should not strive for immediate spending cutbacks, rather it should adopt a long-term view, the need being to curtail "the unbridled growth of more ad <u>boc</u> social policy programs." If the government implemented all of the task force's recommendations, it would make only "modest" savings in the short term, namely \$367.3 million in the next two years (\$188.9 million in 1986-87 and \$178.4 million in 1987-88). But in the long-term, the proposal would halt the escalation of overall spending at the 1985-86 level of \$3.0 billion. These financial objectives could be achieved if the government encouraged "greater Indian and native self-reliance and entrepreneurship."

On the matter of how these sweeping reforms were to be implemented, the task force was direct. Strong central control at the cabinet level would be needed to ensure effective implementation across departments. Consequently, the task force requested from cabinet widespread supervisory powers over the formulation of a new government-Indian band relationship, the coordination of federal-provincial negotiations, and the implementaion of any decisions on the cabinet memorandum. In addition, it sought the powerful role of advising the Cabinet Committee on Priorities and Planning on any advice coming to the committee from individual departments in order to monitor the 53 implications of this advice for the task force's plans.

In sum, to execute the reforms, the task force sought a continuing and decisive role for itself and the central agencies in developing the government's new relationship with the provinces and the bands. This proposal meant, in effect, that DIAND and its minister would be put into receivership and that Indian self-government would be shaped by the central bureaucratic agencies.

Finally, if the reforms were to be implemented successfully, the task force felt a carefully planned "communications strategy" was essential for its anticipated 54 problems. Briefly, the media was seen as consistently sympathetic to Native peoples and the key instrument for keeping Native issues before the public at a higher level of prominence

than other social policy issues. The general public, taking its lead from the media, was sympathetic to Native peoples' socioeconomic conditions and their desire for cultural identity, but it was less supportive of Native rights issues and likely to become even less so as the costs of these rights became public Native peoples were seen as conservative in regard knowledge. to change and Indians could be expected to react strongly to the reforms if their relationship with the federal government was seen to be endangered. More disconcerting was the fact that Native people were capable of mounting "highly-visible demonstrations" to oppose government initiatives which meant they not only could "impede" the implementation of Native reforms, but also cast a negative reflection on the entire program review. However, more supportive of the proposals was the criticism of DIAND's management in the reports of the Auditor General and the Penner Committee on Indian Self-Government, both pointing to the need for reform. In addition, DIAND employees were aware that far-reaching changes were likely, given Crombie's stated hope to be the last Minister of Indian Affairs to have extensive control over Indian lives.

The communications strategy was a plan to minimize the obstacles to the sought after reforms, and to avoid a negative reaction to the announcements spilling over into the late May constitutional meeting proposed by the Prime Minister. Consequently, the timing and content of information were planned in the context of forthcoming events--Nielsen's "pre-budget management package" on the overall task force, the May (23rd) federal budget speech, and the late-May constitutional meeting with Native leaders and the provinces. Specific program cuts were not to be announced before budget night, nor preferably until early June, after the constitutional meeting. Ideally, any releases on Native programs should follow budget cuts in other departments so Native people did not feel "singled-out" for cuts or expected to carry the brunt of spending reductions. Specific program cuts were to be released later and separately by the individual ministers who were to receive new responsibilities under the reforms. Crombie was to announce the changes in DIAND to a national Indian forum. Finally, the best target audience for initial announcements was felt to be the business sector which was likely to support government efforts to improve management.

In total, the communications strategy was devised with the expectation that Indian First Nations would oppose the reforms. Consequently, the plan was to withhold from the public a clear picture of the magnitude of the reforms by diffusing the announcements over time and among many ministers, and by avoiding the public scrutiny of budget night.

In summary, the Nielsen task force on Indian and Native programs was ideologically structured at the outset on the belief that Indians did not have, and should not seek, cultural distinctiveness. The ideology cast Indians as poor and disadvantaged, quarantined from society on reserves, and misguided in their pursuit of unique rights. The prime value on cultural conformity which informed the review inevitably led to a denegration and denial of aboriginality and to the affirmation of the cultural supremacy of 'mainstream' Canadian society. To the extent the government had complied with the notion of rights, either intentionally or unintentionally, it had impeded Indian absorption into society and impaired the allocation of proper resources to them. To correct this problem, a new, minimal and more normal role for the federal government in relation to Indians was proposed. To implement this major reform, control within the federal government needed to shift from departments, especially DIAND, to the cabinet's coordinating agencies which, with reduced social programs but enhanced economic ones, would manage the devolution of services to the provinces and community administration to the bands. To sell these admittedly unpopular initiatives, a media plan was devised to minimize public awareness of and resistance to the reforms.

However, with the public disclosure of confidential information from the Nielsen task force, the scope of the proposed reforms became known in a stark and dramatic way.

THE CONTROVERSY: ITS POLICY CONTENT AND IMPLICATIONS

The first public disclosure occurred on the morning of April 18 when the headline story in the <u>Globe and Mail</u> contained a summary of the study team's report, titled "The Buffalo Jump of the 1980s." The story highlighted the "drastic cuts" in Native programs, the dissolution of DIAND, and the transfer of certain programs to the provinces, anticipating a negative reaction from Native leaders that would likely endanger prospects for an accord at the up-coming constitutional meeting in late May. Events moved quickly in the gathering political storm for cabinet was to consider the recommendations of the task force that morning.

Indian reaction was swift, hostile and uniform in its condemnation of the report. With a strong sense of history repeating itself, First Nations leaders from British Columbia, New Brunswick and the AFN said the report was "a hidden Tory agenda" for the "abdication" of the federal government's responsibilities to Indians, in short, a "restatement of the 1969 White Paper." None lamented the possible dissolution of DIAND, and none defended the programs per se, having been longstanding critics of ill-designed and incompatible government But they criticized the lack of consultation so programs. freshly promised by the Prime Minister, and they condemned the proposed cutbacks in resources to First Nations people, citing the Prime Minister's recognition of their problematic social conditions at the First Ministers Conference. In this regard the AFN observed that "the government has singled out Indian people--already on the low rung of the country's economic ladder--as a target group for financial punishment." They argued that their objective of self-government required Indian control of their own programs, not the diffusion of programs to still more bureaucracies which absorbed funds, and certainly not to the provinces which the AFN likened to "inviting the wolves to tend the sheep." Primarily, the task force report was seen as a contradiction of the Prime Minister's commitments at the FMC, a demonstration of bad faith in dealing with Indian people.

To the AFN it also revealed evidence of the strong right wing approach of the Deputy Prime Minister in cabinet, an orientation the AFN expected in Nielsen and one it had long criticized in 60 its pre-election reports on federal MPs.

Public evidence of provincial government reactions came from Manitoba and British Columbia, governments at the opposite ends of the political spectrum and both of which stated their inability to afford the costs of Native programs. Press reaction consisted of giving the Canadian Press story widespread coverage throughout the country, while a Toronto <u>Star</u> editorial condemned the report as "a mean-spirited approach" which, by cutting programs, could consign Native self-government to an 62exercise in "administering their own misery."

Government was caught off guard by the disclosure, and Crombie was clearly not prepared for the report's Some weeks earlier he had vigorously asserted recommendations. there would be "no" budget cuts and, although he had received a copy of the report, he had not read it when confronted by an oncamera television reporter who asked him about his and DIAND's 63 proposed fate. His displeasure was apparent in his reply that "It's nice to be the last to know. The Prime Minister hasn't indicated I've lost my job, so that's the best I can say." The co-chairman of the Federal Progressive Conservative party's Native Caucus, Tony Belcourt, was equally upset, telexing the Prime Minister that morning to "urge a swift repudiation of the policy suggested by the Collinson Task Force," fearing that "unless speedy action" was taken, both the government's and the party's relations with Aboriginal peoples would be "drastically harmed."⁶⁵ More disturbing in its implications for government was the question the report raised about the Prime Minister's integrity in dealing with Native peoples. The report symbolized a secretive preparation of policy, not the "up front and open" approach through consultation he had just promised at the FMC (Mulroney 1985:158).

To restore credibility and quell the outcry, the PMO moved with unusual speed in its intervention. In an early afternoon press release the Prime Minister denied the report was "a hidden Tory agenda." He flatly asserted that "the report is not a statement of government policy," stressing that "politicians accountable to the Canadian people will make policy, not bureaucrats, and that will be true for Aboriginal policy as 67 well." In reaffirming that his statements at the FMC constituted government policy he stated:

- My policies and those of my government are based on certain principles:
- the special relationship between Canada and the Aboriginal peoples should be strengthened;
- aboriginal rights, especially the right of selfgovernment, should have constitutional protections;
- current funding levels of programs designed to correct the serious inequities which exist for native people and native communities will be maintained;
- policies regarding aboriginal people will be made after open, public consultation, especially at the grassroots level;
- All of these policies are dedicated to enhance the ability and power of Aboriginal communities to control their own affairs. 68

He concluded by announcing the creation of a new committee of cabinet "to consider ongoing Government-wide Aboriginal policy" 69 under Crombie's chairmanship.

The announcement did not allay the suspicions of the opposition MPs in the House of Commons who, during question period, pressed the government over its intentions: the status the cutbacks, and the federal relationship with of the report, 70 Aboriginal peoples. Crombie responded by stressing that the Prime Minister's declaration of principles, not the report, comprised government policy and these were reflected in his own past months in carrying out "grass roots approach in the community level consultation." He also indicated that the newly created cabinet committee under his chairmanship would review the task force report "over time."

The PMO's efforts to defuse the controversy had only temporary effect. Three weeks later, on May 7, a second and more harmful disclosure of confidential information from the Nielsen task force occurred when NDP member Jim Fulton released in the Commons a copy of the sixty-one page draft cabinet memorandum of April 12. This revelation unleashed a new storm of protest, much of it focussing on the manipulative communications strategy contained in the memorandum. Unlike the uncirculated study team report, the cabinet memorandum received widespread public distribution among interested parties, MPs and academics, and some of its contents were read into the Commons record by NDP 74 members. Moreover, the next day a copy of the memo was mailed by the AFN office in Ottawa to each of the 579 Indian band 75 council chiefs in the country.

Indian reaction to the second disclosure was stronger and more bitter. The Union of New Brunswick Indians said the memorandum provided further evidence of the government's intent implement the 1969 White Paper, and the AFN described to the memorandum as "a cynical blueprint" intended to eliminate the 76 First Nations as a unique people. For the AFN, the memorandum made "a mockery of the Prime Minister's statements," and its proposed cutbacks on funding to political organizations were seen as a government plan to destroy the "body politic" of the First Nations so they could not resist Nielsen's proposals. The Grand Council of the Crees of Quebec, the only group to date with self-government legislation, was annoyed at not being consulted. Given the memorandum's admission of the government's failure to improve Indian socio-economic conditions, the Cree found its recommendations "cynical and racist." 78 They felt it was "unrealistic" for the government to expect advice on solving problems from the same bureaucrats who had created the problems. Generally, the analysis left the Cree unimpressed for it did "not even begin to address the real problems of inefficiency, incompetence and mismanagement" causing the government's waste of funds, and it did "not address the issue of excessive overhead costs in program delivery or duplication between district, and headquarters offices of Federal regional departments."79 Describing the Government communications strategy as "deceitful," they called on the Prime Minister to mount an independent inquiry into a broad range of problems in Indian Affairs.

In the Commons the government came under renewed criticism NDP members pressed Nielsen, unsuccessfully, to admit the 85 unsigned memorandum came from his office. They found the memorandum distressing because it appeared to show the advanced stage of the proposal at the time of the constitutional conference and because it claimed its proposals had already widespread departmental approval within received the 80 communications government. They felt its strategy demonstrated the government's insincerity in its commitment to consultation and the government's intent "to manipulate the media around Budget day" by planning cutbacks in Indian health care and education after the budget was released.

replying, the Prime Minister said his government "is In deeply committed to justice and fairness for our native peoples, and we shall never back down from the commitment." On the status of the cutbacks, he commented that "Our intention is to work very closely with the native communities across the country to correct the abysmal statistics which my hon. friend NDP leader, Ed Broadbent] quite properly points out. We believe in helping the natives help themselves. That is what it is all 83 about." He went on to assure Broadbent that "any staff work, study group, or ideas floating around that might be unhelpful to the native people will, under no circumstances, be accepted by the Government." Meanwhile, Nielsen deflected requests from opposition MPs to table the report of the Native task force, saying that any policies flowing from it would "be announced in due course."

Criticism in the Commons came to a head in the May 10 86 Opposition Day debate devoted to Aboriginal policy. The general thrust of the attack was that the government's actions in both the Nielsen task force and the First Ministers Conference destroyed any veracity in the Prime Minister's four principles of policy. Indeed, few aspects of the Nielsen task On the federal attitude towards the force escaped comment. Liberal critic, Keith Penner, described the Prime provinces, Minister's conduct of the First Ministers Conference "as nothing

more than a public relations exercise" to demonstrate his ability to cooperate with the provinces, instead of promoting the interests of Native people. Penner saw the Nielsen task force as an exercise in "surreptitiously preparing policies" that were devoid of consultation and potentially destructive to the special relationship between the federal government and Warren Allmand (Liberal) viewed the task Aboriginal peoples. force as "a complete violation of the bilateral process" and counterproductive to the close cooperation established with the AFN in the Penner committee on Indian self-government. The government's commitment to Indian self-government was questioned by Jim Fulton (NDP), given the task force's recommendations to terminate funds to Native economic institutions, to defer comprehensive land claims (which would provide the requisite land and economic base to some Aboriginal peoples), and to transfer programs to the provinces rather than to Native people. He described as "Draconian" the cutbacks in social 91 programs (i.e. health, education, housing). For Jim Manly (NDP), the task force was a repetition of the 1969 White Paper process--the existence of a separate policy arena within government formulating advice which contravened public statements to 92 Native peoples of government intent. Both he and Fulton feared the task force process was too far advanced and too powerfully based in Nielsen's control to be stopped by Crombie 93 alone.

Throughout the debate the targets of opposition criticism had been the Prime Minister and Nielsen. In contrast, Crombie was openly commended for his sincerity and concern for Native peoples, and often pressed for assurances that his "agenda" was the one the government would follow. Crombie provided these assurances by stressing that his policy agenda was the same as that affirmed by the Prime Minister on April 18, and that he had the strong support of the Prime Minister, the caucus and cabinet 95 members. After identifying his policy initiatives, he urged the MPs to behave responsibly by debating "real policies and real issues," not "the entrails of policies which have been found in the waste baskets of the bureaucracy." He then spelled out his grassroots approach to policy-making, beginning with the observation that during his consultation trips to Indian communities he had been "impressed with the considered suggestions" from Indian people. Following each of these meetings his officials were "to prepare policy options on workable suggestions so that consultations can be further extended and decisions made. That is how we build Indian policy Government." Consultation was also relevant to the in this new cabinet committee on Aboriginal affairs. It would examine the Penner report, the Nielsen task force report, and "suggestions from aboriginal peoples," but all of the recommendations, Crombie stressed, "will be subjected to public open discussion with aboriginal people before policy decisions are made. That is the key."

Throughout the controversy Crombie's candour had earned him considerable respect among MPs, but the government, in the eyes of the public, earned little from the next series of events.

In mid-May the focus of contention over Nielsen's initiatives in Indian policy shifted from their policy implications to their justice implications as the security leak of the cabinet memorandum was pursued. On May 9 in the Commons, Nielsen denied any knowledge of the government's requesting an but three days later the RCMP RCMP inquiry into the leak, 100 confirmed its investigation. Shortly thereafter, in informing the Commons that the person responsible for the leak had told the police of his actions and reasons, Robert Kaplan (Liberal) sought and received assurances from the Solicitor General that the RCMP, in Kaplan's words, "are not being used politically to intimidate officials in DIAND" and those 101 elsewhere in government over security matters. It is not clear whether the government or the RCMP inspired the investigation, but when the RCMP laid charges on July 19 against a DIAND employee, Richard Price, they charged him under the Criminal Code, not the Official Secrets Act. This severe measure drew unfavourable publicity for the government and evoked strong

criticism within the Conservative Party and from First Nations 102 organizations. According to the press, Price, an ordained United Church minister who had worked for Indian organizations in the past, had explained his actions in disclosing the 103 document as "a matter of Christian conscience."

In August, when a letter from Price's lawyer Thomas Berger to the Minister of Justice was published in the press, pressure on the government became more incisive. With considerable effect, Berger contrasted the government's favourable treatment of two individuals who had leaked information beneficial to the Conservative Party when it was in opposition, to that now accorded Price. He then argued that the government was undertaking "selective prosecution" of Price which contravened the Charter of Rights and that Price's dismissal from DIAND was sufficient reprimand. The letter from Berger, a former judge of the BC Supreme Court and a nationally-recognized advocate for Native rights, had questioned publicly the government's political motives. Subsequently, the Attorney General of British Columbia, where the charges were laid, decided not to pursue the prosecution, and the federal Minister of Justice did not press the matter, not wishing the government to be seen as "acting 105 vindictively."

Whether or not the government had requested the investigation, the public perception through the media was that the episode had been politically inspired. As a result it raised concerns in the public mind about the government's administration of justice, and confirmed the strong value the government placed on secrecy and security in its operations-neither of these outcomes being likely to foster trust and open consultation in its relations with Native peoples.

In the meantime, the May 23 federal budget honoured the Prime Minister's commitment of making no cuts in the current 106 The second constitutional meeting in early June did not produce an accord on self-government, but this outcome was reasonably predictable given the positions held at the April First Ministers

Conference. Suspicions about the status of Nielsen's initiatives persisted, however, when press headlines in early October reported the elimination of 1500 employees in DIAND. Crombie denied speculation he was implementing the Nielsen task force report, saying it was a measure to give Indians more control over their lives: "We want the 1,500 jobs and more for 108 Indian people, not federal bureaucrats."

In the short term, the government paid a high price for Nielsen's initiatives in Indian policy. His proposals were politically damaging in that they activated the policy field in a negative way by rupturing the government's integrity in dealing with Indian people and by revealing cabinet disunity, embarrassing the Prime Minister and Crombie. By revealing ideological and power divisions in the cabinet and confirming the government's penchant for secrecy, they raised legitimate doubt about the direction of Indian policy in the new government, about who would determine the direction, and about how open the policy-making process would be to Indian input. Outside cabinet, Nielsen's initiatives brought unwelcome censure from MPs in the House and the Standing Committee, and from some members of the Conservative Party. Outside government, they alienated Indian leaders who were extending a measure of trust and good will to the new regime, and they engaged the press in shaping public opinion more sympathetically to Indian people than to the new government.

The long term implications of Nielsen's initiatives for the government's relationship with Indian people will be influenced primarily by whether First Nations leaders perceive government actions as implementing the proposals. Although cutbacks were not made to programs in the 1985 federal budget, the task force's recommendation on government spending was for long range reductions by capping expenditures at the 1985-86 level. This left open a "capping" possibility in the future which the Prime Minister's statement of April 18 did not address. Native programs were also being reviewed in Nielsen's other task forces 109 where they could be subjected to cutbacks and changes. In

addition, both the Prime Minister and Crombie had stated on several occasions that the cabinet committee's review of the task force report may reveal merit in some of the recommendations, even though they also stressed that these would be implemented only if they accorded with the four principles of government policy and were subjected to consultations with 110 Aboriginal peoples. More generally, the attention given to the government's "rejection" of the task force report tended to focus on the budget cuts, not on the core proposal to diminish the federal government's special relationship with the First Nations. Consequently, the AFN remained skeptical of the government's intentions and continued to seek assurances from the Prime Minister that this relationship would not be altered and that the government would establish "a bilateral process" with Indians to deal with Indian issues, distinct from 'Native' 111 In replying, the Prime Minister or 'Aboriginal' issues. referred to the absence of budget cuts in the May budget as evidence of the government's good faith, as well as his earlier promise for "open public consultations on aboriginal policies," but made no mention of the bilateral process.

Possibly the most significant long term result of Nielsen's initiatives for the Indian-government relationship is the benchmark status his cabinet proposal has attained among some First Nations leaders: the 1985 Nielsen initiatives have replaced the 1969 White Paper as the point of reference against which Indian leaders monitor government actions and judge its integrity. Many do not share the government's position that the task force 113 report "is dead" as both Crombie and Crosbie have stated. As one AFN official said: "You know around here how everyone used to weigh what the government did against the White Paper? Well, now they weigh what the government does against the Nielsen task force. A new generation of cynicism is born, and with good reason."

For the government itself, the controversy will undoubtedly have a differential long term impact. For Crombie, it produced a publicly explicit prime ministerial mandate on April 18, 1985,

30 that validated his pursuit of his own policy preferences, a positive outcome for him even though it did not guarantee their future endorsement by cabinet. It also resulted in his being the only minister whose budget was promised immunity from budget cuts. For the Prime Minister, the controversy led to other broad but equally significant consequences. His intervention produced a declaration of Aboriginal policy which associated the Prime Minister personally with policy principles more acceptable to Aboriginal peoples and more supportive of future discussions in the constitutional field. It illustrated his "brokerage" style of politics and his now-customary personal dealings with his ministers to solve conflicts, the success of both depending heavily on his personal integrity and stature, or his ability to restore public confidence in his credibility (Aucoin 1986:23-24). And related to these factors, his intervention served notice that the advice being received from the study team was not consistent with his public statements and priorities on Aboriginal policy. In an even broader perspective, the controversy over the Native task force constituted the

government's first experience with its task force scheme, one that highlighted the inherent problems of a review body trespassing in a minister's portfolio, and the danger of developing policy advice in isolation and disregarding prime ministerial declarations. Overall, Nielsen's government-wide program review suggested that the experiment had not been thought through in terms of its political and bureaucratic implications for the government or for ministers. The view of one close observer captured the unplanned and politically naive nature of the experiment in regard to the Native task force by saying: "It was an unconsidered, unsophisticated, unstrategic and unthoughtful--in terms of human values, way of doing things."

At the senior level of cabinet, the extent to which the ideas in the Nielsen task force either confirmed pre-existing notions or established a framework for thinking about Native issues is not publicly determinable. For those in government who support the thrust of Nielsen's initiatives on Native peoples, or are required to implement them, the episode of public revelation and reaction has left a need for careful rationalization of actions to avoid their being perceived as a straightforward implementaion of the task force proposals. In the end, any implementation of the initiatives will depend, in large measure, on whether they are seen to advance the government's top political priorities and to avoid conflict with the Prime Minister's principles on Aboriginal policy.

POSTCRIPT

Nielsen tabled the twenty-one volumes of his Ministerial Task Force on Program Review in the Commons on March 11, 1986, a follow-up to the government's second budget in late as 114 February. The conclusions of the government-wide review were that programs were largely devised in a vacuum of fiscal concerns, poorly evaluated, often inconsequential and defended by a public service which had no incentives to reduce spending. The profusion of government subsidies had made Canadians highly dependent on government by creating, in Nielsen's words, "a nation of what I call program junkies," whereas the need was for "managing smarter" and reducing government intervention in Inside the Commons opposition parties accused the society. government of being more interested in numbers and cutbacks than in people, and outside the Commons they commented on the rightwing nature of the proposals which they felt exceeded party 116 policy. A public outcry was predicted by the press since almost every interest group was affected by the review, but few journalists felt the government would implement many of the 117proposals given their political consequences.

The study team report on Indian and Native Programs, a 523 page document, provided the expanded rationale behind the cabinet memorandum of April 12, 1985 (DPMO 1986a:17-51). Its cursory and unsubstantiated conclusions about many of the 116 programs it reviewed were inevitable given, among other things, the time allotted for the work. Indeed, why these assessments should be regarded by Nielsen as superior in quality to those conducted by departments, which he condemned, is curious. As with the cabinet memorandum, the report's ideological hostility to Indian aspirations, and its inaccurate depiction of the Indian standard of living (i.e., modern suburbs in the north) predictably evoked immediate denunciation from critics in the 118 The AFN left few stones unturned in its rejection Commons. of the report as unreliable, dated, insensitive to First Nations people, devoid of any recognition of "the values upon which our lives are built," and "out of step" with the movement toward Crombie, under pressure in the House about self-government. the government's intent regarding the report, again referred to the Prime Minister's statement of April 18, 1985, which supported current funding levels, and he added that "the ideas in the report which are not suitable to Indian people ought to be rejected; the ideas which are suitable ought to be sup-120 ported." The press summarized the report's contents in no more detail than it had the year previously, but a Toronto Star editorial reversed its judgment, describing the report as "sensible" instead of "mean-spirited."

reports, described by Nielsen as "options" for The consideration rather than government policies, are regarded as a step "in the reform of public administration of Canada." In the wider picture of government priorities, Nielsen linked this step to the theme of economic renewal in its goal of seeking better management of government, and to reforms in the House of Commons by referring the reports to the newly structured Commons for more informed debate by MPs of public policy committees Whatever role the committees may play in publicly issues. airing the issues or advocating special interests, government action on the overall program review will flow from Nielsen's mandate to advise the Prime Minister and cabinet on appropriate reforms.

APPENDIX A

LIST OF ABBREVIATIONS

AFN Assembly of First Nations

ARDA Agricultural Rehabilitation and Development Act (1961, amended 1966) CEIC Canada Employment and Immigration Commission CMHC Canada Mortgage and Housing Corporation Department of Indian Affairs and Northern Development DIAND DPMO Deputy Prime Minister's Office DREE Department of Regional Economic Expansion DRIE Department of Regional Industrial Expansion FMC First Ministers Conference (comprised of the Prime Minister and Premiers) Metis and Non-Status Indians MNSI Members of Parliament (House of Commons) MPs Ministry of State for Social Development MSSD NCC Native Council of Canada NDP New Democratic Party Native Economic Development Program NEDP Department of National Health and Welfare NH&W Office of Aboriginal Constitutional Affairs OACA PCO Privy Council Office Prime Minister's Office PMO SCIAND

SCIAND Standing Committee (of the House of Commons) on Indian Affairs and Northern Development 1

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In June 1984, in the dying days of Trudeau's last parliament, the Minister of Indian Affairs tabled Bill C-47 to amend the Indian Act by removing the discriminatory provisions affecting Indian women (Sanders 1984), and Bill C-52 to establish "framework legislation" for Indian self-government (House of Commons, Bill, 1984, 1984a). Neither of these bills passed into law before parliament recessed and the federal election brought to power the Conservative government. Only three comprehensive land claims settlements were concluded in the decade between the establishment of the policy in 1973 and the end of the Trudeau-Turner Liberal government in 1984, leaving the bulk of the Northwest Territories, Yukon and British Columbia with unsettled claims. Columbia with unsettled claims.

2 Three references were made to Aboriginal peoples in the Speech from the Throne. The first one mentioned the need for federal-provincial cooperation "to honour the commitment to Canada's aboriginal peoples contained in the Constitution Act of 1982," and the second listed "native peoples" as one of the participating groups in the forthcoming national Economic Summit meeting. The third was a commitment to amend the Indian Act to remove the discriminatory provisions affecting Indian women (House of Commons Debates, November 5, 1984, pp. 6-7).

Jake Epp, "Notes for a Speech to the Executive Planning Committee, Quebec City, November 20, 1979," Ottawa: DIAND Press Release, November 20, 1979; and interview with Jake Epp, Ottawa, June 30, 1981.

PMO, Ottawa, Press Release, September 18, 1984.

5 Jeffrey Simpson, "The Great Stone Wall," Toronto <u>Globe</u> and <u>Mail</u>, November 16, 1984; "Task Huge, Nielsen's Committee Finds," Toronto <u>Globe</u> and <u>Mail</u>, November 20, 1984; Deputy Prime Minister's Office (DPMO), <u>News Release</u>, November 16, 1984.

Erik Nielsen, "Agenda for Change: A New Government Looks at Old Programs. Notes for a Speech by the Honourable Erik Nielsen to the Canadian Club of Toronto, February 13, 1985. DPMO, New Release, February 13, 1985. Henceforth cited as DPMO 1985.

AFN Bulletin (1984:4); "Crombie, Native Leader Meeting Today," Toronto Globe and Mail, October 5, 1984; statements by AFN representative, Harold Cardinal, to the Standing Committee on Indian Affairs and Northern Development (SCIAND) Minutes, December 12, 1984, No. 5, p. 14.

⁸ "Crombie Wants to Give Power to Our Indians," Cambridge Reporter, October 16, 1984.

Supreme Court of Canada, "Delbert Guerin-Musqueam Indian Band, Guerin v The Queen," Ottawa, November 1, 1984; AFN Bulletin (1984a, 1984b); <u>Intercom</u> (1985); Douglas Sanders, "The Musqueam Decision: A Confirmation of Indian Rights," University of British Columbia, Faculty of law, November 21, 1984.

10 My analysis of policy developments in the Conservative government is based entirely on materials in the public domain. In contrast, the material on the pre-1984 era derives from primary data (i.e., interviews and documentation) collected in Ottawa primarily in 1981-82 in a study of a bureaucratic task force on Metis and non-status Indian socio-economic development (Weaver 1985) that was funded by the Social Sciences and Humanities Research Council of Canada. I am grateful to AFN, DIAND, and Secretary of State employees for their kind assistance, over the phone, in confirming or correcting factual material, and for sending me press releases and relevant documentation in the public domain. To them, to other individuals in government and academia, and to Jim Waldram, I owe special thanks for their constructive and helpful comments on the first draft of this paper. This paper was written between November 1985 and mid-March 1986, before the report of the Nielsen task force on Indian and Native Programs (DPMO 1986a) was publicly released. I comment briefly on the study team report in a postscript to Part I of the article.

11 The Nielsen Task Force initially identified for review some 989 programs which spent annually \$92 billion through 126 departments and agencies, involving 170,000 person-years in the public service (DPMO 1985:2-3).

National Indian Brotherhood, "Statement on the Proposed New 'Indian Policy'." Ottawa: NIB <u>Press Release</u>, June 26, 1969.

Interview with a senior DIAND official, Ottawa, April 3, 1982.

14 Speech from the Throne, House of Commons Debates, November 1984, p. 6. 5.

15 DPMO (1985:1).

16 Ibid., p. 4.

17

Ibid., p. 3.

18

Ibid., p. 8.

19 House of Commons Debates, November 5, 1984, p. 5.

20 Ibid., p. 6.

The structure and work plan of the task force was outlined Nielsen in his mid-February 1985 speech (DPMO 1985: Appendix by Nie 2:4-9).

22

Nielsen's speech contained an appendix titled "Terms of Reference for the Mixed Study Team on Native Programs, Final Version, February 6, 1985," (DPMO 1985).

23 Ibid., pp. 6, 8. 24 Ibid., Appendix B. 25 Ibid., p. 6.

The ten departments and agencies were Secretary of State, National Health and Welfare, Canada Employment and Immigration

Commission, Canada Mortgage and Housing Corporation, DRIE, Department of Fisheries and Oceans, Transport Canada, Solicitor General, Public Service Commission, and the Department of Justice.

27

DPMO (1985:1).

House of Commons Debates, May 10, 1985, p. 4628; D. Crombie, "Transcript: David Crombie, Interview, CBC Radio Program, <u>Morningside</u>, October 8, 1985," Ottawa: Media Tapes and Transcripts Ltd., p. 8; Confirmation by government official, April 30, 1986.

29

DPMO (1985), Terms of Reference, p. 8; Draft Cabinet Memorandum, "Report of the Ministerial Task Force on Native Programs," April 12, 1985, Deputy Prime Minister, p. 7.

30

SCIAND Minutes, May 14, 1985, No. 38, p. 17.

31

Draft Cabinet Memorandum, "Report of the Ministerial Task Force on Native Programs," April 12, 1985, Deputy Prime Minister [unsigned], p. 7. Henceforth cited as Draft Cabinet Memorandum.

32

Letter, Erik Nielsen to David Ahenakew, February 11, 1985.

33 "Crombie, Native Leader Meeting Today," Toronto <u>Globe</u> and <u>Mail</u>, October 5, 1984.

34

The AFN's submission to the Standing Committee on Indian Affairs on December 12, 1984, contained many proposals on Indian economic development, none of which was subsequently contained in the draft memorandum to cabinet from the Ministerial Task Force. For example, the AFN advocated Indian controlled economic development institutions, the retention of social programs to ensure the safety and well-being of Indian people depending on them, the continuation of the special relationship with the federal government recently affirmed in the Musqueam decision, and the avoidance of rigid business criteria being applied to programs without sensitivity to the diversity of Indian conditions (SCIAND Minutes, December 12, 1984, No. 5, pp. 7-10). For the general Indian reaction to the task force's recommendations see references in notes 75, 76 and 119. The AFN's submission to the Standing Committee on Indian

35

Draft Cabinet Memorandum.

Draft Cabinet Memorandum, p. 9. The study team's report, informally titled "The Buffalo Jump of the 1980s," was officially released with the other task force reports, on March 11, 1986 (DPMO 1986a).

37 Draft Cabinet Memorandum, p. 1. 38 Ibid., p. 9. 39 Ibid., p. 11 for all cost estimates. 40 Ibid. 41 Ibid.

42 Ibid., pp. 13 and 15 for all the contributing factors.

43 Ibid., p. 13.

44

Ibid., p. 10. 45

Ibid., p. 20.

46

pp. 20-49 for specific recommendations on program Ibid., changes.

47 Ibid., p. 57.

48

copy). Ibid., recommendations no. 44 (page number not on photo-

49

<u>Ibid.</u>, recommendation no. 13. Special ARDA is now a DRIE (previously DREE) program to support Native small businesses, but federal-provincial agreements for Special ARDA do not exist for Native peoples in Alberta, Ontario, Quebec and Atlantic Canada (SCIAND <u>Minutes</u>, December 19, 1984, No. 7, p. 5).

50

Draft Cabinet Memorandum, p. 15.

51 Ibid., p. 17.

52 Ibid., p. 1.

53

Ibid., pp. 19-20.

54 Ibid., pp. 51-61.

55

Ibid., p. 52.

56 "Drastic Cuts Proposed in Native Programs," Toronto <u>Globe</u> and <u>Mail</u>, April 18, 1985. The task force report itself was not leaked to the public. Consequently public knowledge of the task force's recommendations rested on the press summary.

57 "Indians Outraged by Document," Saskatoon Star-Phoenix, April 18, 1985; Telex, Nicholas Graydon, President of the Union of New Brunswick Indians, to Prime Minister Mulroney, "Re: Nielsen Task Force Recommendations," April 18, 1985; AFN Press Release, April 18, 1985, p. 1; AFN <u>Bulletin</u> (1985); "Indian Funding Cuts Not Policy, PM Says," Kitchener-Waterloo Record, April 19, 1985; Telex, Saul Terry, President of the Union of B.C. Indian Chiefs to Prime Minister Mulroney, April 19, 1985; Letter, Harry Chingee, Chief of the McLeod Lake Indian Band, to David Crombie, April 19, 1985.

58

AFN Press Release, April 18, 1985, p. 1.

59

Ibid., Press Release "Data," p. 2.

"Mulroney Says Native Programs Will Not Be Cut," Toronto Globe and Mail, April 19, 1985. Prior to federal elections the AFN, and its predecessor, the National Indian Brotherhood, publish ratings of MPs based on their attitudes towards Indians and their behaviour in parliament and in committees on Indian issues. For the May 1979 federal election, for example, sixty-seven MPs were ranked on a scale of "plus 4" to "minus 4." Nielsen and one other MP received the lowest ranking, a minus four, which was described as "hostile, attacks positions expressed by Indian organizations, seeks to undermine" (The National Indian 1979:16-18). For the February 1980 federal election, David Crombie was rated, for the first time, at plus three and Nielsen at minus 3 with a note indicating Nielsen had "opposed the native rights protection clause in the pipeline bill in the last Parliament" (The National Indian 1980:11-12, 15).

"Indian Funding Cuts Not Policy, PM Says," Kitchener-Waterloo <u>Record</u>, April 19, 1985.

"Another Bad Deal for Natives," Toronto <u>Star</u> editorial, April 20, 1985.

"Crombie Vows to Block Program Cuts: 'Call Me at Home,' Minister Tells Natives," Toronto <u>Globe</u> and <u>Mail</u>, March 7, 1985.

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106

Nielsen's "management package" (Nielsen 1985) was released part of the budget papers and it contained the initial as part of the budget papers and it contained the initial results of his program review but no new information on Native programs. It clarified, however, the role of the new cabinet committee on Aboriginal affairs to be chaired by Crombie. The new committee is a sub-committee of the Cabinet Committee on Social Development, and it is to function as "an initial forum for discussion of programs and services for aboriginal people" which "will ensure consultation and communication with aboriginal peoples on initiatives related to programs and services" (Nielsen 1985:41). The sub-committee is not a decision-making forum, but a discussion and advisory body to the cabinet committee on social development and priorities and planning, depending on the issue under consideration. According as planning, depending on the issue under consideration. According to the AFN, the new sub-committee is composed of seven ministers, other than Crombie, from Health and Welfare, Employment and Immigration, Communications, Solicitor General, Secretary of State, Labour, and Regional Industrial Expansion (AFN <u>Bulletin</u> 1985b: 13).

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108 "Indian Affairs May Eliminate 1,500 Jobs," Toronto <u>Globe</u> and <u>Mail</u>, October 3, 1985; House of Commons <u>Debates</u>, October 3, 1985, p. 7297.

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The following Nielsen task forces contain Indian and Native programs under review: natural resources; culture and communications; transportation; health and sports; citizenship, labour and immigration; and education and research. The AFN has confirmed that it is monitoring these task forces to identify any proposed changes to Indian programs.

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