



First Nations Modern Annuity



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Prepared by the Modernized Annuity Working Group (MAWG)
partnering with the Aboriginal Council of Winnipeg and the Social Planning Council of Winnipeg

MAWG is a grassroots Indigenous and non-Indigenous team that has identified modernizing First Nations annuities as a critical first pillar for achieving meaningful reconciliation.

Sheilla Jones, Co-Chair, 12th-generation Settler and author of *Let the People Speak: Oppression in a Time of Reconciliation*.

The Rt. Hon. Edward Schreyer, former Governor General of Canada and member of the Queen's Privy Council.

Guy Savoie, Métis Elder and past-president of l'Union Nationale Métisse Saint-Joseph du Manitoba.

Bill Shead, member of the Peguis First Nation, chair of the Neeganin Centre in Winnipeg, and director of Indspire.

Wayne Helgason, Co-Chair, member of the Sandy Bay Ojibway First Nation and former president of the National Association of Friendship Centres.

Gregory Mason, Associate Professor of Economics, University of Manitoba.

Leona Freed, Saulteaux-Ojibway activist and former leader of the First Nations Accountability Coalition.

Paul Walsh, Chair of the Board of Basic Income Manitoba.

Michael McCandless, governance lawyer who advanced the 2002 *Misquadis v Canada* case.



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Photos, page 1

Top: Treaty 1 Pow Wow dancers, MB. Photo by Kate Morrison

Bottom: Selkirk Settlers 1813 statue, MB. Photo by James Burns

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Historic intent and purpose of FN annuities

Treaty annuities provided two key benefits for First Nations people:

- A reliable livelihood support for individuals and families, within the band collective, that provided:
 - a degree of economic independence and autonomy,
 - a supplement to traditional means of supporting families such as hunting, trapping and fishing,
 - assistance to adapt to lifestyle changes due to settlement;
- A vehicle for sharing the prosperity derived by Settlers from traditional lands.

Treaty promise: Sharing the prosperity of the land

Meaningful reconciliation between First People and Settlers requires addressing a long-standing failure of the Government of Canada—to share the prosperity of the land through Treaty annuities.

- **1878 Historic Treaty annuity value:** \$4 or \$5 per person

Eligibility: First Nations members of Treaty bands

- **2021 Historic Treaty annuity value:** *still \$4 or \$5 per person*

Eligibility: Status (Registered) Indian members of Treaty bands

Why have Treaty annuities not increased?

Three key reasons:

1. The Parliament of Canada last voted to increase Treaty annuities in 1878. The Government thereafter adopted a policy of strict monetary nominalism for annuities, effectively freezing them at the 1878 value of \$4 or \$5.
2. When First Nations leaders began challenging federal Indian policies, the Government amended the *Indian Act* to criminalize raising money by FN leaders to hire legal counsel. That law remained in effect from 1929 to 1951.
3. When First Nations leaders then turned to the courts for Treaty annuity redress, Government lawyers threw up procedural roadblocks to deny FN people standing in law suits in provincial and federal courts, or through the Specific Claims Tribunal. This practice continues today.

Modern Annuity: Key to reconciliation

Canada's Liberal government has clearly committed itself to reconciliation between First People and the Crown.

The failure to increase Treaty annuities since 1878 highlights what is needed for achieving meaningful reconciliation:

- Respecting the intent of treaties, signed in good faith by First Nations leaders, that Settlers share the prosperity generated from FN traditional lands;
- Engaging with Canada's First People as equals;
- Moving away from the oppressive strictures of the *Indian Act*.

These key points are constructively addressed by a modern annuity.

Shaping models for a modern annuity

With no historical model for increasing annuities, the Modernized Annuity Working Group created its own guidelines:

- That the models reflect, to a reasonable degree, the purpose of the annuities at the time the historic Treaties were signed;
- That the models be relatively easy to understand and to calculate;
- That the models be readily updatable to accommodate further increases as required.

MAWG examined multiple models, but selected **three** that best followed the guidelines.

1. Historic Livelihood Support Model

Based on historic wages for labourers and costs of outfitting a trapper in the 1870s

Modern annuity equivalent:
\$1,870 to \$6,500 per person per year

2. Federal Income Support Model

Based on methodology used to value federal income support programs, i.e., Canada Child Benefit and Old Age Security

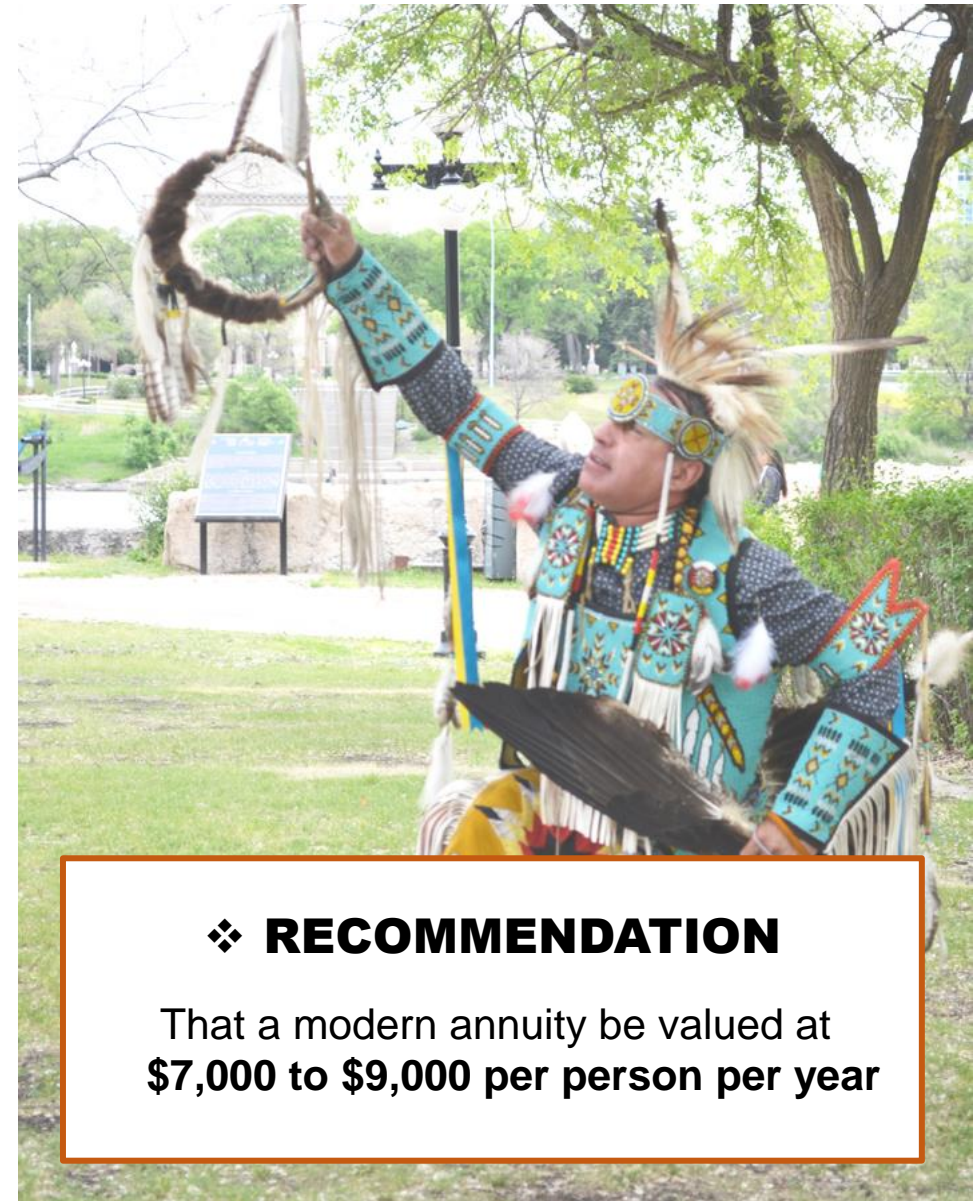
Modern annuity equivalent:
\$7,500 per person per year

3. Land-based GDP Model

Based on economic activity generated by land-based industries, as measured by the Gross Domestic Product

Modern annuity equivalent:
\$7,025 to \$8,810 per person per year

See appendices for model details.



❖ **RECOMMENDATION**

That a modern annuity be valued at
\$7,000 to \$9,000 per person per year

Treaty 5 Pow Wow dancer, MB. Photo by Kate Morrison

Modern Annuity Benefits

A modern annuity restores power to First Nations people through economic autonomy, allowing FN people and families to choose for themselves how they want to live.

A modern annuity begins shifting a portion federal funding directly to FN individuals and families.

A modern annuity initiates the move away from 145 years of micromanagement of First Nations people under the *Indian Act*.

A modern annuity is an acknowledgement that respecting promises to share the land is fundamental to reconciliation.

A modern annuity directly addresses issues raised by:

- Truth and Reconciliation Commission (TRC) Calls to Action,
- Missing and Murdered Indigenous Women and Girls+ (MMIWG+) Calls to Justice,
- United Nations Declaration of Indigenous Rights (UNDRIP) Articles.



❖ RECOMMENDATIONS

RECOMMENDATIONS: Eligibility

- That all Status First Nations people (Registered Indians) resident in Canada be eligible for a modern annuity;
- That eligibility criteria, such as payments to minors or extensions beyond Registered Indians be considered for further discussion.

RECOMMENDATIONS: Taxation

- That a modern annuity be tax-free, but included in calculating net family income for other income-based programs.

RECOMMENDATIONS: Obligations of Recipients

- That recipients be required to file an annual income tax return to remain eligible;
- That recipients have a deposit account at a registered provincially or federally chartered institution;
- That recipients ensure their Status cards are current to remain eligible.

RECOMMENDATIONS: Method of Payment

- That modern annuity payments to individuals be administered by the Canada Revenue Agency and/or Employment and Social Development Canada;
- That Indigenous Services Canada maintain the Indian Register and provide it to the designated annuity administrator;
- That payments may not be reassigned or redirected unless legally mandated by the court or some other judgement.



Modern Annuity Challenges

COST: The wealth transfer of a modern annuity, as recommended by MAWG, would be significant:

- For 1-million Status First Nations people, an annuity would be \$7-billion to \$9-billion per year.

ARREARS: Accepting that the Crown is historically obligated to increase annuities means addressing the question of determining arrears and to whom those arrears would be paid.

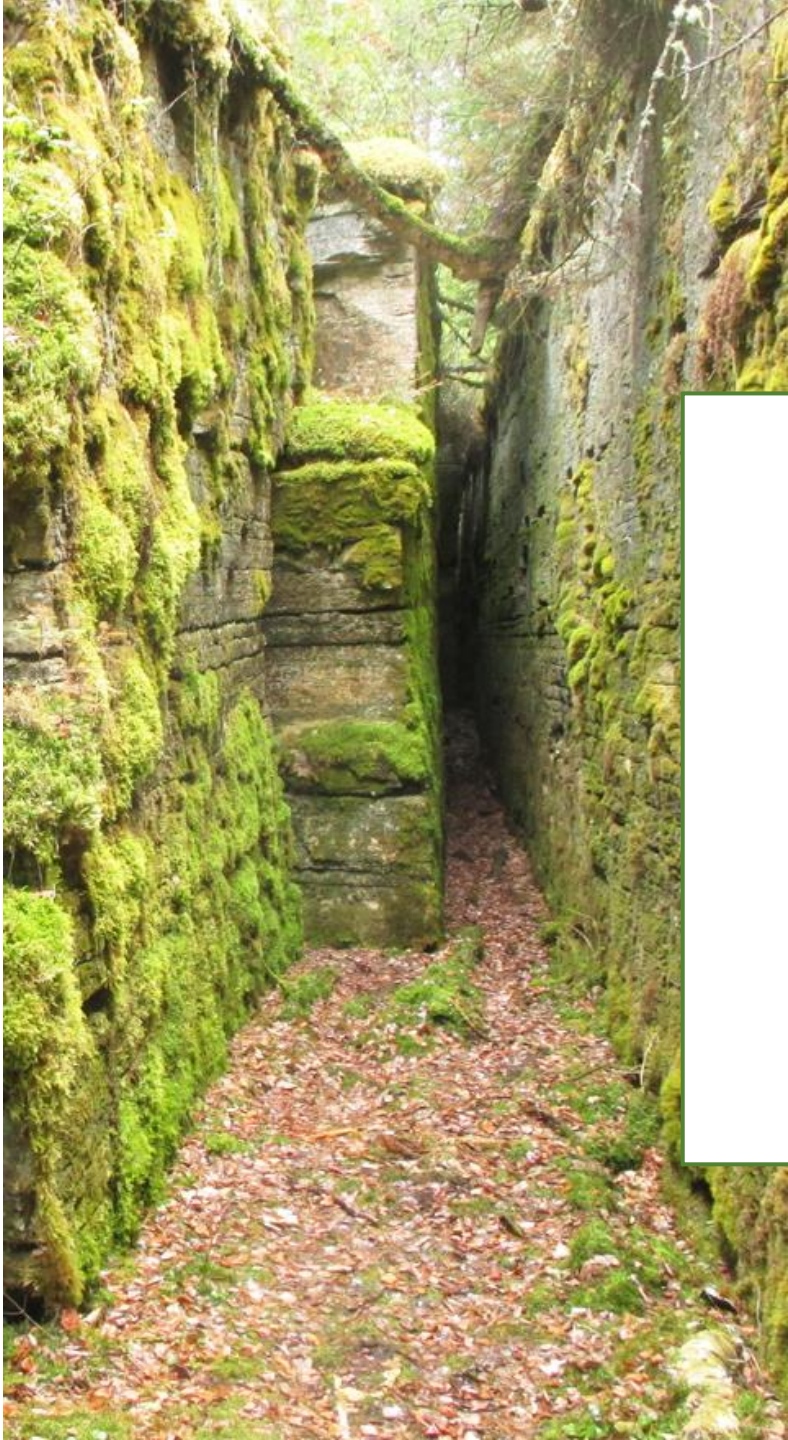
ELIGIBILITY: A modern annuity at the level recommended by MAWG may trigger a surge of people applying for First Nations status, which is the responsibility of the federal Indian Registrar.

FEAR OF CHANGE: Many First Nations leaders are justifiably wary of changes to the rules and regulations imposed under the *Indian Act* that they've been struggling with for 145 years.

It is imperative that the First People, Settlers and the Crown work together to build a level of trust, respect and co-operation that helps move Canada away from the *Indian Act* to a new understanding.

Lumber mill logs, ON.
Photo by James Burns





Repairing a broken structure

- The British Crown broke the long-standing bond of friendship and solidarity between the Crown and the First People in the 1850s. It deliberately recast First People as “uncivilized children” in need of state control and protection, which then served as justification to unilaterally nullify First Nations rights over traditional lands.
- The new Canadian government then formalized the state’s exclusive control over all aspects of the lives of the First People from birth to death under the 1876 *Indian Act*. This broken structure remains in place today.
- A modern annuity is a foundational pillar in repairing the relationship between the First People and the Crown—and between First People and Settlers—by stepping away from *Indian Act* control, and empowering First People to speak for themselves and their communities.

Pine Dock karst fissure, MB. Photo by James Burns



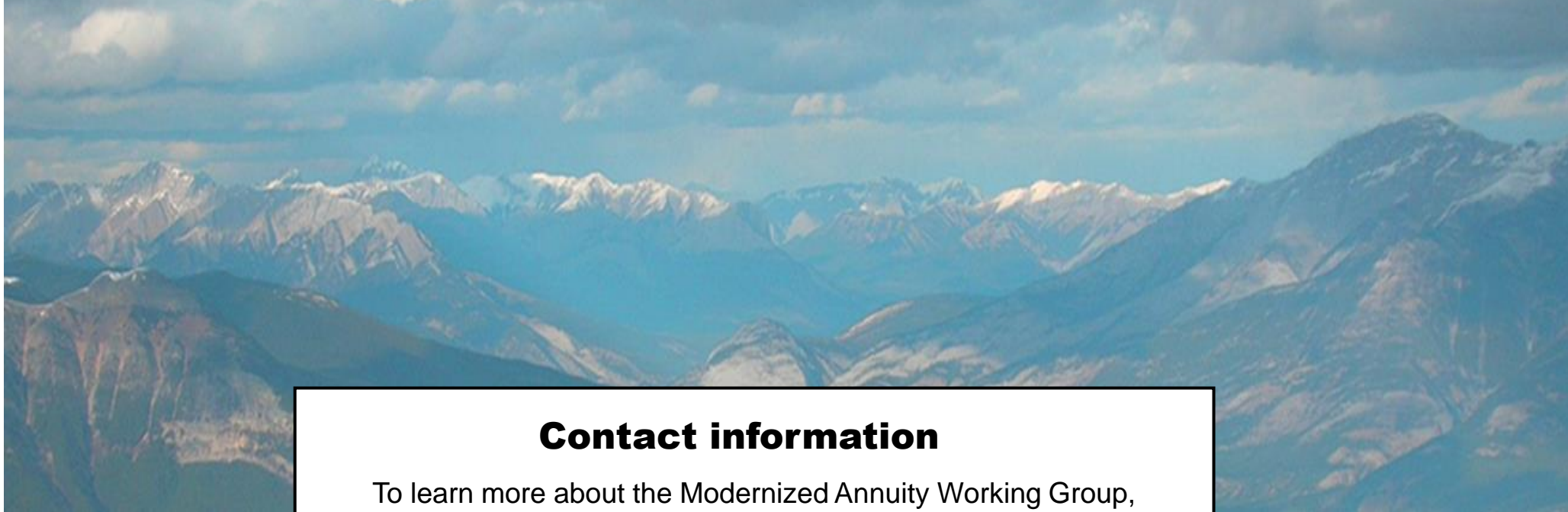
Mishipeshu representation, Agawa Rock, ON. Photo by James Burns

Making a modern annuity a reality

- A First Nations modern annuity is a critical step in resetting the relationship between the Crown and Canada's First People, because it addresses the dysfunction at the core of a broken system.
- Canada's Members of Parliament have the power to vote to increase annuities, just as they did in 1878, and opt to extend eligibility to all Status First Nations people.
- There is no impediment to modernizing FN annuities other than the political will to do so.

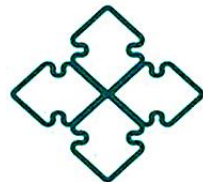
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Canadian Rocky Mountains. Photo by Sheilla Jones



Contact information

To learn more about the Modernized Annuity Working Group,
visit MAWG's website: www.mawg.ca
To contact MAWG, email: contact@mawg.ca



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APPENDIX

1. Historic Livelihood Support Model

The historic annuity served a valuable role in aiding FN people to continue pursuing traditional means of livelihood, and it also helped them to adapt to changes brought by settlement.

- In 1870, the \$25 in annuities for a family of five was equivalent to one-third to one-half of a year's wages for an "unskilled labourer" in Toronto or Montreal.
- In modern-day Canada, one-third to one-half of the minimum wage for workers in Toronto and Montreal would be roughly \$9,330 to \$15,000.
- Divided among five family members, it would translate into a modern annuity equivalent of **\$1,870 to \$3,000 per person per year**.
- In 1879, the \$25 in annuities for a family of five could outfit a trapper for the winter.
- In modern-day Canada, trappers who earn their livelihood from trapping spend an average to \$32,500 per year to outfit themselves.
- Divided among five family members, it would translate into a modern annuity equivalent of **\$6,500 per person per year**.

The Historic Livelihood Support Model links the value of livelihood supports from the era of historic Treaty agreements to the present day. The trapper calculation is a direct link to the land.



Yukon River, YT. Photo by James Burns



Bay of Fundy, NB. Photo by James Burns

APPENDIX

2. Federal Income Support Model

The valuation of historic annuities was subject to negotiation, conditioned by politically-set budget constraints. A similar process is used by the Federal Government in setting the value of programs such as the Canada Child Benefit (about \$6,400 per year) and Old Age Security (\$7,620 per year).

The numbers for CCB and OAS are arbitrary; governments set these as a matter of policy rooted in some assessment of what might be politically acceptable, what is affordable, and what serves as a meaningful measure of support.

MAWG determined that a reasonable measure of sharing the prosperity of the land would be of similar value to CCB or OAS, or about **\$7,500 per person per year**.

The Federal Income Support Model mirrors the process used during the historic Treaty negotiations to arrive at an annuity value. If the Crown elects to frame modern annuity payments as a form of leasehold fee or land compensation—paid on behalf of Settlers by the Crown to eligible First Nations people—the connection to the land is affirmed.



Seven Sisters Falls hydroelectric dam, MB. Photo by James Burns

APPENDIX

3. Land-based GDP Model

Statistics Canada uses the North American Industry Classification System for detailed figures on economic activity across Canada to produce quarterly reports on the Gross Domestic Product.

MAWG looked at land-based activity measured by the GDP for agriculture—from market gardens in Ontario to canola fields in Saskatchewan to vineyards in BC—along with forestry, fishing, hunting, mining and energy production, and including land-based tourism such as golf courses, ski hills, parks and fishing camps.

- Based on a per capita share of land-based GDP economic activity for 2021, a modern annuity would be **\$7,025 per person per year**.

But MAWG also considered the processing of products derived from the land, such as wineries, flour mills and smelters.

- Based on the GDP economic activity for October 2021, including processing, a modern annuity would be **\$8,810 per person per year**.

The Land-based GDP Model uses a per capita share of land-based economic activity as a stand-in for the prosperity generated on traditional lands; it is directly linked to the land, and the data are readily available.