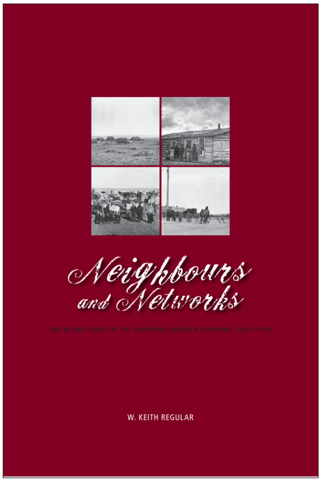

NEIGHBOURS AND NETWORKS: THE BLOOD TRIBE IN THE SOUTHERN ALBERTA ECONOMY, 1884–1939

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5: 'A prospective citizen of no mean importance': The Bloods and the Business Community

INTRODUCTION

Credit arrangements and cash expenditures were but other aspects of the commercial interactions between the Bloods and the local Anglo-European entrepreneurial community. This business relationship in the post-buffalo period was largely determined by Treaty 7, which established an economic partnership between Native and non-Native in southern Alberta. That Natives saw a 'shared' partnership or reciprocal relationship as opposed to a surrender of their territory is little argued.[1] Sharon Venne, a Cree scholar, acknowledged the complexity regarding understanding the treaties and their intent. According to Venne, any applied interpretation of treaties that leans to a First Nations surrender of territory and sovereignty to the state on a 'once and for all basis' is in denial of the reality of treaty negotiation circumstances and First Nations' intent. Interpretations, Venne argues, must take into account Native epistemological views of 'Creation.'[2] Similarly, Patricia Seed has added another dimension to the debate by questioning language usage and meaning of words such as *treaty* and differences in written and oral accounts of treaties.[3]

Less accepted is the view that any sustained and beneficial result came from the formal treaty contract. Ovide Mercredi, former National Chief, Assembly of First Nations, raised this issue in 1996 when arguing for assistance to improve economic conditions on Native reserves; "We were willing to share – but instead they took and took and took, and they took so much that we did not have enough resources left to meet our own basic needs.… Had the treaties been honoured, had our people been treated as partners, we would be able to provide for our own needs."[4]

Why the continuation of such a partnership in the history of relations has not figured prominently in the subsequent relations between Natives and non-Natives is unclear. The Indian Act, however, established the Bloods as wards of the Crown and thus ensured that economic ties would not be free and unencumbered.[5] In the words of one DIA official, the Indian's "position seems like that of a child for whom the state stands *in loco parentis*," a view held by the late Prime Minister Pierre Elliott Trudeau and reflected in the 1969 White Paper.[6] Making the Native population wards of the state brought the Canadian government responsibility to ensure that their basic needs were met and fundamental rights protected. Cultural isolation on reserves was an ideal, but economically separating Natives from the remainder of the community was neither practical nor possible. How else could the cash and goods promised in the treaty be redeemed or otherwise provided except through participation in the local economic infrastructure?[7]

When the Bloods selected their reserve and a sedentary existence, they were forced into the local market economy. They became participants in a macro-economic arrangement externally driven and over which they had, depending on the nature of the commercial activity, limited control. Initially, lacking the means to effectively sustain themselves, not unlike their non-Native neighbours, they played out their consumer role on the promise of tomorrow and a cycle of credit and debt. The next 'harvest' or 'sale' held the key to future prosperity and independence while today's needs required satisfaction. The Bloods' participation in the market place as consumers will therefore be discussed for the period from the 1880s to the 1930s. In the process, an analysis of business views of the importance of the Bloods as consumers will be given. The positions of the Indian agents and DIA, as intermediaries between the Bloods and local businesses, will also be revealed. The discussion will shed light on the varying economic fortunes of the Blood reserve and the region.

THE MERCHANT ENVIRONMENT

Entrepreneurs quickly followed 'official' Anglo-Canadian presence in southern Alberta. Merchants appeared in Fort Macleod and Cardston soon after the towns were established. Fort Macleod, for example, could boast twenty-six retail businesses by 1887.[8] Local merchants eventually faced competition from itinerant salesmen, who wandered at will and plied their wares, as well as catalogue shopping organized by the likes of T. Eaton Company.[9] The initial intent of businesses was to cater to the needs of the North West Mounted Police and settlers, but the value of the Bloods was soon appreciated. The trails, roads, and especially railroads tied the towns to the national economy and brought needed merchandise to the local area.[10] Travel for individuals was still sufficiently difficult, however, to force customers to patronize local businesses for many of their immediate needs. Those businesses that survived adapted their sales practices to suit local circumstances and served Native and non-Native customers alike. Such adaptation included enticing or welcoming customers with a combination of barter, money purchases, and credit all under one roof.[11] Henry Klassen points out that some of Alberta's general merchants had diverse interests extending much beyond the general retail trade and indeed might cater to a variety of commercial and financial services to ensure a steady and diversified clientele.[12]

Credit, to sustain market activity, is a commercial finance policy of long standing directed at Natives and as a ploy to encourage consumerism and enhance profits, especially in rural economies. Morantz, for example, views credit arrangements in the James Bay area of Quebec, in the 1600s, as a sensible business arrangement "given that the harvests of fur bearing animals, like those of agricultural crops, were subject to fluctuations beyond the control of the harvester."[13] Recognition of this fact caused the Hudson's Bay Company to extend credit to Natives, a practice, which Ray notes, was carried into the twentieth-century fur trade.[14] Clark has illustrated that in eighteenth- and nineteenth-century Massachusetts the economy was based on a complex combination of cash and credit where the motives and desires of both borrower and lender affected one another.[15] In southern Alberta during the first decade of the twentieth century, Voisey observes, the High River *Times* sold its newspapers on credit, recognizing local farmers' argument "that they only received income at highly irregular intervals." During the Great Depression of the 1930s, the paper resorted to barter, accepting wheat and other foodstuffs in payment for subscriptions.[16]

Into this mix of entrepreneurial adaptation was thrown DIA policy, which set the rules of Native engagement with capitalism. Accordingly, Natives could purchase locally, with the Indian agent's consent, goods that were 'needed' or which provided basic requirements of daily existence or for individual economic functions. A listing signed by Agent J.T. Faunt,

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Figure 5.1.
"Trading Post, Stand Off, Alberta [ca. 1886]." Glenbow Archives, NA-2928-50. An early trading post at Stand Off on the Blood Reserve.

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circa 1921, shows orders for hardware implements, blacksmith services, harness, lumber and building supplies, horses, and 'machinery.' More personal purchases were groceries, especially beef and flour, clothing, medical services, and undertaker services.[17] Such approved purchases became 'legitimate' debt for the Natives and 'legitimate' sales for the merchants, a significant distinction with regard to eventual collections on the debt.

Similarly, the sale of reserve produce by individual Bloods required, to be legal, the agent's consent through a 'permit.' In this case, however, enforcement likely proved difficult, as illustrated by the activities of Blood reserve resident Tom Three Persons, who surreptitiously engaged in disposing of grain, livestock, and meat.[18] The extent of these black market activities, however, is exceedingly difficult to gauge.

Inevitably, with common usage, credit transactions with the Bloods were constantly appraised. One resident of the Blood Reserve praised the fairness of Cardston business practices with the Bloods. He especially noted the one price policy for non-Native and Indian alike and the 10 per cent discount for cash purchases. As a result, the Bloods did much business there.[19] Cardston entrepreneur Charles Ora Card stressed his fairness with the Natives, treating them "with the same consideration as white people."[20]

By 1899 the variety and location of businesses the Bloods patronized suggests they were discriminating shoppers who purchased goods and services where they could get the best bargain. Agent Wilson's records of the Bloods' accounts for August show they were indebted to businesses in both Cardston and Fort Macleod. There was a decided preference in the number of transactions in favour of Fort Macleod, probably because at this time most Bloods occupied the reserve area closest to that community.[21]

In keeping with its policy of isolating the Natives from the negative consequences of direct association with Euro-Canadian society, especially while on shopping 'sprees,' the DIA granted the Hudson's Bay Company permission to establish trading facilities on selected reserves.[22] This move was eventually judged unsatisfactory as, in the Department's opinion, the Indians all too quickly parted with their money. Consequently the Department decided that where reserves were situated close to towns, such as the Bloods were with Macleod, Cardston, and Lethbridge, it was just as well to let them visit and trade in town or with the numerous independent traders near the reserve as necessary. The Bloods became such heavy purchasers that in 1897 the DIA briefly experimented with providing businesses intent on collecting Native debts access to the reserve at treaty payment time. This was conditional on the Indians not being unduly influenced or coerced by the merchants and provided DIA officials rendered the merchants no assistance.[23]

Some merchants took advantage of market conditions to inflate the price of goods sold to Native customers pleading the added risk of non-payment. In one instance, the agent, as a suitable response to any such unfairness, suggested purchasing at wholesale rates for cash.[24] Indeed, this approach to doing business may have been very much a universal practice in colonial-driven economies and Colin Bundy has noted similar merchant behaviour in South Africa. Bundy observed that; "The Native, particularly in the rural areas, has to pay more for the same article than would a European, while for the same class of goods of the same quality he would receive less than a European."[25] There were other ways to discriminate and favour non-Native customers. Elder Joe Crop Eared Wolf (born 1920) recalled: "Clothing like men's overalls were hard to buy. Storekeepers hid their supplies for their favourite customers who were often non-Natives. Some of our wives solved the problem by buying denim by the yard and sewing their husband's and children's pants."[26]

During the early years of western Canadian development, non-Natives too were subjected to this business tactic. Barry Broadfoot has noted that there was a difference in country stores between "the price marked … and the price the customer had in her head, and the real price might be somewhere in between. That's called haggling. You'd haggle."[27]

The Department's view was that credit purchasing was not conducive to the development of wholesome attitudes among its Native wards, a view much in keeping with public perceptions at this time. The *Macleod Gazette*, for example, proposed that credit-based business, encouraged by merchants and offered to Indian and homesteader alike, was unacceptable. However, ending such a solidly entrenched practice, the paper admitted, was likely difficult if not impossible. Nevertheless, the *Gazette* proposed that credit be gradually limited until business on a cash basis only was established. The ending of credit, the paper speculated, would "solve the dead-beat problem," that is, the incurring of debt, and end an "evil" system. The origin of the *Gazette's* view of the evils of credit is unclear, but it may have been related to the collapse of the speculative land market in Manitoba and an estimated failure rate of 30 per cent among Canadian banks between 1880 and 1910.[28]

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Figure 5.2. "Blood People on the Street, Cardston, Alberta, [ca. 1917]." Glenbow Archives, NA-4611-37. The town of Cardston, sharing a border with the Blood Reserve, provided the Bloods with access to services provided in an urbanized environment.

To oppose credit purchases, however, was to deny the efficacy of the basic economic practice that sustained much of prairie development.[29] Harry Buckwold, the owner of a general store at Admiral, Saskatchewan, indicated that credit was important to all customers to carry them from one harvest or sale to the next. Patrons used this option to run up bills at several stores at once or to play one business against the other. In response, merchants kept and shared customer lists of amounts due and habits of payment and accepted payment in cash or goods.[30]

It is not surprising, then, that in 1907 Cardston's *Alberta Star* considered the credit system bad for both the merchant and the customer as administrative costs and risk necessitated an estimated 20 per cent price increase.[31] The *Star* reflected the local variation of a region-wide movement to eliminate the credit aspect of business operations. The May 24 edition of the *Star* listed eleven Cardston merchant houses wishing to reduce both costs and risks and declaring that as of June 1, goods would be sold on a "cash or produce" basis only. The promised benefit to the consumer was cheaper goods. Among the companies participating in the new policy were H.S. Allen and Co. Ltd., and the Cardston Implement Co. Ltd., both of which did business with the Blood reserve.[32] Interestingly, during this brief campaign, no criticism was directed specifically at Blood customers. Ultimately merchants facing competitive pressure could not resist the established practices and continued to advance credit to their patrons. Competition, therefore, made credit advances with the attendant default and capital flow restrictions an essential risk of doing business in local entrepreneurial environments.[33]

As national mail order houses made significant inroads into the prairie communities' purchasing habits, they caused a backlash by local interests. The southern Alberta press began to advocate, and practically demand, loyalty to home-grown businesses.[34] The merchant community faced the formidable challenge of curbing the demand for credit and at the same time enhancing shopper loyalty. True, mail order houses, such as Eaton's, did not extend credit, but the convenience they offered along with competitive pricing based on volume purchasing was attractive.[35] The presence of mail order businesses invited criticism from local boosters well into the decade of the 1920s. For example, in its effort to boost community enterprise, the *Cardston Globe* refused to sell advertising space to mail order houses that, in the paper's view, posed a significant threat to local enterprise. The *Globe* admonished businesses to effectively increase their commerce by resorting to the more competitive practices of discounting, smaller markup, and sale on a cash basis only. By eliminating the expense incurred from direct loss and the management of credit accounts, local merchants could, said the *Globe*, drive mail order houses out of business.[36]

Suspicion with regard to the efficacy of credit financing juxtaposed with the promotion of the more financially sound cash transactions surfaced from time to time. In response to the heavy financing of farm expansion, the *Cardston News*, February 3, 1927, carried the views of one critic who argued that "unrestricted credit," combined with a flawed banking system along with dependence on "next year's crop" were responsible for the current credit crisis. The writer pointed out that short-term personal credit had developed to assist businessmen for periods of thirty to ninety days. Such a system was obviously not suited to agriculture where the time needed to grow and market a crop took from six to ten months and depended on the vagaries of both weather and markets. Historian David Jones has also pointed out the inconsistency in the time element of a short-term loan of three to four months when farm operations take twice that long.[37] The inevitable consequence of rampant credit was the crisis of 1920–21, which left the farmer owing "land vendors, mortgage companies, banks, machine companies, stores, garages, arrear taxes, seed and feed distributing centres, neighbours, friends and enemies."[38] Little wonder the *Star* branded farmers as the most ungrateful beneficiaries of the credit system.[39] Voisey notes that the High River *Times* extended credit because "farmers insisted on it."[40]

Businesses, no doubt, accepted the wisdom of a credit-free economy. This, however, was a highly unlikely solution to both their cash-flow problems and credit risks and could prove eminently unprofitable in a local economy largely based on seasonal and sporadic employment. Credit was, therefore, available to the Bloods and to settler/farmers because the market value of their produce, be it goods or labour, was significant enough to invite such risks.

The initial view that local merchants held of Blood purchasing power is unclear. It is evident, however, that the Bloods so successfully promoted their limited means that businesses eagerly sought out Blood patronage when they had money and liberally extended credit when they did not. The annuities promised in treaty were very important in enabling the Bloods to provide themselves with daily necessities. Local merchants were certainly aware of the August 1881, annuity payments of some $26,000.00 received by 2,892 Bloods. By October, 3,640 of the tribe were reported settled on the reserve with the promise of more lucrative business to come.[41]

Statements of reserve expenditures for May 1885, show that $14,656.44 was spent for a variety of purposes such as stage fare, salary, wages, and travel allowance. By far the biggest cash outlay, $13,279.51, was to the I.G. Baker Company for beef, $8,639.95 of it spent on the Bloods. The expenditure for June approached $12,700.00 with the Bloods receiving the lion's share at $11,289.67. A.B. McCullough has estimated that the value of government beef purchases in the Treaty 7 area between 1886 and 1900 amounted to $2,097,793.50.[42] Similarly $6,933.65 had been spent on hardware for the reserve and most of this was likely purchased locally.[43] Clearly the spending of so much money raised the profile of the Bloods with the cash-hungry business community.

The Bloods were too significant an economic force to be ignored or alienated. Agent James Wilson noted that, after receipt of their treaty annuity in the fall of 1893, the Bloods went on their usual spending spree in Fort Macleod and Lethbridge.[44] In his report for March 1895, Wilson noted that their earnings for the previous nine months were $5,989.00, the largest to date.[45] Total earnings for 1896 saw yet another increase at $7,510.11.[46] Even at this early stage of reserve development, the Bloods were a growing economic force. Merchants, no doubt, wished to assure themselves a portion of the Bloods' annual treaty payments, individually earned incomes and government expenditures on their behalf.

The Blood Agency report for 1904 gives three major divisions of the Blood population of 1,202. There were twenty-five self-supporting men with seventy-five dependents for a total of 100, or slightly more than 8 per cent of the reserve population. Add to these the 166 men considered partially self-supporting, with their 362 dependents; then slightly under 44 per cent of the reserve had some or significant purchasing power. There were 574 persons classed as destitute or infirm, a significant group for which the DIA assumed responsibility. For the fiscal year ending June 30, 1904, the 'working' group earned $36,154.78 from wages, the sale of beef, hay and ponies, freighting coal and supplies, and coal mining and other occupations and income for the reserve was in excess of $40,000.00.[47] Moreover, at a time when the Department was cutting spending the business transactions of Bloods of independent means became even more important to local merchants.[48] The income reported above is, of course, 'official' or agent approved and monitored income only. This does not account for income earned by Natives through individual contract agreement and which was thus beyond the agent's purview. The money earned, from such sources as cutting hay, freighting coal, and working the Raymond sugar beet fields must be considered substantial.

Despite a decade of fluctuating economic growth on the prairies, the Bloods experienced substantially increased prosperity beginning in 1911. Total income for that year was $56,750.00 and by 1920 reached $254,332.00, over a four-fold increase.[49] A synopsis of the Department's 1913 report for the Blood reserve contained some revealing facts about Blood income and resources. The population was now 1,140, down sixty-two from the 1904 figure. Of this population fifty-one Bloods were grain growers and 305 were engaged in stock raising. Clearly the great majority of working males were officially ranchers or farmers and as such were likely absent from the reserve for brief occasions only. The reserve was 354,000 acres valued at $5,306,990.00. Total income was given at $61,600.00, an increase of approximately $20,000.00 over the 1904 figure. The total of real and personal property owned by the band was $5,674,000.00 or about $5,000.00 per capita.[50] According to Agent W.J. Dilworth, 124 of the Bloods had incurred an authorized debt of $9,053.60 as of December 1913 for a per capita debt of $73.00 for those listed or an average debt of $7.94 per person for the entire tribe.[51] It is little wonder that businesses failed to single out the Bloods as a problem when discussing their discontent with the credit system. The failure to point their fingers at the Bloods suggests that the delinquency rate on debt was not so great as to alienate the Bloods or the agency.

POLICY AND BUSINESS

Treaty 7 promised both sustenance and assistance that could only be provided through the non-Native market economy. With the need to replace the buffalo economy, the Bloods were driven to the business community as consumers in need of credit and were thus tied to mercantile interests through contracted debt. How familiar they were with the workings and trappings of a frontier capitalist economy is an important point as the Bloods had little trouble satisfying their basic needs. The result was that the Bloods, a people presumed to have so little in the way of personal wealth, were readily granted uninsured credit. The general acceptance of Native credit trade was, by 1891, so extensive, and so contrary to the government's ideal of a self-supporting Native population, that the DIA issued a circular "forbidding" orders on credit.[52]

The treaties had saddled the federal government with responsibility for the Indians' economic well-being. Initially this was largely done through the government acting as a welfare agency and doling out sufficient goods to meet their minimal needs. The government was aware, however, of the long-term costs of such maintenance. One of the principles of the management of Indian affairs in Canada was, therefore, to direct Indian development towards eventual economic independence or at least, as Beal argues, 'self support' sufficient to reduce government expenditures "to an absolute minimum."[53] The key was to teach Natives a healthy appreciation for the value of amassing wealth through individually owned property and forsaking their cultural commitment to community well-being. They had to be taught to live within their means today to achieve financial independence tomorrow. The DIA and Indian agents, therefore, initially went to great lengths to keep the Indians from buying on credit.

The Department's policy on credit purchasing was straightforward: to be legitimate, all Indian purchases had to be 'authorized' through the agency office. Once approved, the Native took the official permission to purchase specified goods directly to a merchant who was often predetermined by the agent. The cost for 'needed' purchases was subsequently collected from that person's individual earnings by the agent and forwarded to the merchant.[54] Since the agent managed Indian income earned on the reserve, the DIA's policies were thus fulfilled.

This system of controlling purchases, however, had limitations. Not all individual earnings resulted from reserve employment or sales, and the agent had little or no control over money earned off the reserve. The appropriateness of purchases was then left to individual discretion. With their own money, and not needing a 'guarantee' from the agent, the Natives could exercise more freedom of choice in their purchase of goods and services. For example, Natives visited pool halls when in towns such as Fort Macleod, Cardston, or Raymond.[55] The behaviour of Blood rancher Tom Three Persons is a good illustration of the limitations of the DIA to control individuals. He kept a personal bank account, sold goods and produce without permission, and spent his own money at his pleasure.[56] In the 1930s one agent complained that the Bloods spent money on cars that unfortunately required costly maintenance.[57] Such behaviour served to reinforce, among government officials, the belief that Natives were not yet ready for free choice and that without supervision would quickly spend themselves deeper into debt.[58]

Another significant limitation of the DIA policy was the independence of the merchant. They could voluntarily undermine the Department's goals by extending 'unauthorized' credit to Natives.[59] Defying the Department's wishes, however, was not without its attendant risks. In 1904, for example, Blood Indian Agent James Wilson advised one Magrath business that, instead of calling on him, it should look to the collection of its accounts when the Indians returned to work in that community the following year.[60] Thus this creditor was forced to carry the accounts on his books for a full year, risking the possibility that the individuals concerned were either deeper in debt, had not returned to work, or had died.

The collection of debt from Natives was likewise difficult in cases where the debtor was unwilling or unable to pay. The problem was rooted in the Indian Act, which established the wardship status of the Indians, and in the communal nature of their property holding. Land, their most valuable commodity, could be alienated or sold only in right of the Crown. It has been argued that this fact alone severely restricts the Indians' access to credit in the market place: "Because of the legal restrictions on the alienation of reserves, Indians are usually unable to obtain long-term or mortgage loans by pledging land or buildings."[61] Natives were also protected from liens and mortgages against their property, except by another Indian and only against taxable property.[62] It is unclear how well local entrepreneurs understood the legal position of the Natives when they so readily extended credit. The agent, however, was frequently asked to assist with debt collection or to render an account of delinquent creditors. Most merchants believed the DIA responsible for legitimate claims against Natives defaulting on accounts.

THE BUSINESS OF DEBT

It is clear that although incurring debt was against DIA policy, the Bloods did not meekly accept the intended restrictions. The Bloods were offered the convenience of credit by local merchants unwilling to lose this important source of revenue. Thus the agent reported in November 1904, that the Bloods owed $4,750.40 for materials purchased from thirteen dealers in Macleod, Cardston, and Lethbridge on orders issued under authority of the agency. The merchants in all three communities granted credit, Agent James Wilson said, with the knowledge that payment would occur when the agent could collect. To remove some of the uncertainty of repayment, Wilson suggested that the debt be paid by "vouchers against the tribal fund."[63]

In a letter to H.S. Allen & Co., Cardston, Wilson clarified his position with regard to collection of funds due creditors, "I only undertake to pay you (and others) upon the Indians paying me – that is I simply act as your collecting agent using due diligence in effecting collection as quickly as the Indians earn or otherwise acquire money over which my official position gives me control."[64] The collection of debt from the Bloods, though based on the agent's good will, was hampered by the restrictions of his powers. Only if the debtor co-operated could moneys be collected with the agent's assistance. In one case in 1915 an attempt to collect on a debt was turned aside by Agent W.J. Dilworth. Because the account had not been officially authorized, Dilworth said, he could only "advise" the debtor to pay. Indeed Dilworth's advice to creditors in like circumstance was "that the Department will not recognize such orders and will not be responsible for their payment."[65]

Interestingly, an account submitted by Massey-Harris, September 1914, listed seventy-two different orders for a total of $3,022.12. The amount for individual accounts was $2,950.81 and for the Agency $71.31. Clearly individuals were transacting a preponderance of the business. Of these, thirteen had no order number, suggesting that they were unauthorized. Two were for the agency and eleven for individuals. Of the eleven listed to individual Bloods, only five were entered in Dilworth's register of debtors, again suggesting that the remaining were unauthorized accounts. With regard to these five, Massey-Harris's statements do not agree with Dilworth's, Dilworth showing more than the company billed in three cases. Though Dilworth's statement is not dated, differing dates in issue and the possibility that individuals had made payments to reduce their debts may account for this discrepancy. In the case of A.D. Cairncross [Company], Cardston, only two of the eight accounts submitted are entered in Dilworth's ledger, and in the case of George Tanner only one of the seventeen account purchases made from him are registered with Dilworth.[66]

Credit was essential for a Native or farmer/homesteader to establish operations and to continue them in the face of poor crops, poor prices, or both. Farm yields for southern Alberta, for example, plummeted from an average thirty-five bushels of wheat to the acre in 1915, to 10.7 in 1917, 4.9 in 1918, and 1.4 in 1919.[67] The Fort Macleod area had a lower average of thirty-one bushels to the acre in 1915, followed by twenty-four, thirteen, four, and nil, respectively. The 1920 and 1921 season showed only marginal recovery with four and two bushels of wheat to the acre. Although the total bushels marketed from Fort Macleod in 1918–19, some 707,000 bushels, was greater than that from some other regions, it was a substantial reduction from the amounts marketed in 1915–16, 1916–17, and 1917–18 at 4,244,000, 3,1197,000 and 2,318,000 bushels, respectively, and is a good indication of the generally declining fortunes of the area.[68] Beginning in 1918, however, wheat prices declined and never again reached the 1918 levels during the subsequent two decades. Prices collapsed to as low as thirty cents per bushel for 1931–32.[69]

Comments by Indian Commissioner W.M. Graham in 1927 suggest why, even in the most distressing circumstances, merchants were willing to advance credit to the Bloods. Graham noted "Considering that there are over 200 farmers on the Blood Reserve and the indebtedness to the merchants is only $5,000.00 from the two previous years, the amount, when divided amongst the many farmers, is very small." Graham believed that this was not even one-tenth of the total value of business done.[70]

It is difficult to gauge the accuracy of Graham's statement, but it was his opinion that the Agency was a responsible customer, more prompt in the repayment of credit than most. Graham believed that the merchants were well aware of the Department's methods of business and they willingly assumed the risks of the uncertainty of prompt repayment. His conclusion was that, generally speaking, the Cardston merchants "were highly pleased with the treatment that they had received."[71]

Despite Graham's disclaimers, however, merchants often held the local agent personally responsible for the difficulty experienced with both authorized and unauthorized debt collection. By 1915, for example, Agent W.J. Dilworth's popularity was at a low ebb in Fort Macleod with complaints made that he was directing the agency's business, and thereby the Bloods' patronage, to Cardston.[72] Similarly, in 1924, the Bloods accused Agent T.J. Faunt of directing reserve business to Cardston through his purchasing orders. The result, it was charged, was that the Bloods sometimes paid more for the same article purchased in Cardston than if obtained in Fort Macleod.[73]

Although Dilworth made reasonable efforts to retire agency-sanctioned debts, he was less helpful with unauthorized debts. He advised the Riverside Lumber Co., Cardston, that their unauthorized credit to Bloods had been advanced at their own risk, and he informed them that in one case the individual concerned had little property, though some income. The income, however, Dilworth said, was beyond his control.[74]

Granting the Bloods credit without proof of agency approval, however, appears to have been a common practice. Dilworth found himself mostly in agreement with M.A. Coombs, Cardston, regarding his statement of account showing twenty-six individual Blood accounts totalling $1,031.54, but he protested he had no record of accounts for three others and insisted that the accounts were not authorized through his office. Although he might wish to collect the debt, the varying fortunes of the individuals interfered with Dilworth's ability to do so. Peter Heavy Shield, for example, suffered from tuberculosis and could not work his farm. Joe Bullshields, though "a good boy and a good worker," had suffered a crop failure.[75]

Consequently, the demands made of Dilworth to facilitate the swift repayment of debts were futile, and he angrily vented his frustration to the Department. He stipulated that he had only one rule with regard to debt collection, "Collect every time an Indian owing has funds to his credit in this office and pay in the order of seniority."[76] Such a promise, however, did little to satisfy the merchants' need for repayment in order that they might keep their own creditors at bay.

BUSINESSES CRY FOUL

Though desiring both individual Blood and agency patronage, unpaid accounts were a matter of great distress for businesses. Merchants employed a variety of tactics to encourage the local agent or the DIA to assume responsibility for all unpaid Indian and agency credit. For example, the Western Lumber Company Ltd., Lethbridge, stipulated that business done with the Bloods had to be on the "ordinary terms of credit"; that is, paid in full within ninety days. Accounts in arrears were unacceptable and payment with interest was demanded.[77] J.M. Callie of the Pioneer Furniture Store, Fort Macleod, appealed directly to the DIA for redress. Callie's plea of pressing need for the funds prompted DIA Secretary McLean to urge Agent Faunt to get the funds and pay the bill if possible.[78]

Hard times, such as during the general crop failure of 1927, increased the merchants' debt load. Stress and anxiety led to increased though often unrewarded pleas to the Blood reserve and the DIA for a settlement of credit accounts. Cardston's Smith and Pitcher Limited's requested squaring of the reserves $14,000.00 account to allay pressure from its own creditors was met with a muted and unpromising response. The company was informed, "the account would be reduced as collections [from Indians] were made." For a larger company, perhaps, this assurance would have sufficed, or at least been tolerated, but in this case it spelled hardship and brought an appeal for redress directly to the Minister of the Interior:

> The above seems rather hard blow to us, as we have been forced to pay the Harvester Company every cent cash outlay, depending on the mentioned account being paid. This has been almost more than a small concern as we are to carry, because we presume you are aware of the fact, crops here were almost a failure, collections very poor, naturally the need of money for our present needs being necessary, we therefore appeal to you, is there anyway [*sic*] that this account can be realized? or arrangements be made with the bank giving collateral that we could use in order that we can carry on.[79]

As with all such submissions to the Minister, Scott was non-committal but required a full report from Agent Pugh on the likelihood of the debt being retired.[80]

For local businesses, getting 'their money' was something of a difficult proposition.[81] The solicitors for one company argued that the system of doing business with the Indians was restrictive, "the situation really is that the goods were furnished as much to the Department as to the Indian himself, the situation being that our clients were practically prohibited from dealing direct with the Indian." This was in essence a summation of the wardship legally conferred by the Indian Act. Some creditors, therefore, refused to see the position of the DIA as anything but the rightful debtor. The Department, however, accepted neither moral nor legal obligation.[82]

Such DIA reluctance led to attempts by some businesses to muddy distinctions between the Bloods and the DIA. Although the Massey-Harris Company had made credit sales to Blood individuals on the basis of crop returns, when subsequent harvests were insufficient to settle accounts, the company argued that its sales were to the DIA and not to individual Bloods. In the company's view, as the agent had the DIA's approval to make the purchases, the Department was therefore responsible for ensuring payment. The company suggested that it had given the DIA a bargain in quoting "a very special price," on the understanding that the Department would pay.[83] The Cardston Implement Co., with regard to its $6,000.00 of credit issued to the Bloods or the agency, denied any understanding that the repayment of debt was dependent on crop returns.[84] It is clear that even though merchants differed in their understanding or acceptance of the Department's responsibility for Native incurred debt, practically all of them tried for departmental guarantees.

R.N. Wilson of the Standoff Trading Co., Standoff, Alberta, however, best expressed the general view that business took in their dealings with the reserve. The account with his firm was for $792.38. As a former long-time agent of the Blood reserve, he knew the system and so directly wrote D.C. Scott and indicated that he did not wish to wait another year or two for payment. He pointed out the business pressure he was under, with wholesalers demanding monthly payment of their accounts. He clearly stated his understanding of doing business with the Bloods – that the government was responsible for the repayment of the debt. Debts that remained unpaid for years were, said Wilson, "a misfortune to the merchant and a disgrace to the Government of Canada." Getting at the crux of the matter, he pointed out to Scott, "You will readily perceive that if departmental assistance to Indians in seeding and harvesting their crops was considered necessary for the proper administration of the reserve, it was the business of the Department to finance it when the expected revenue failed or when it became other wise inconvenient to collect in due course." Scott, as always, was unmoved.[85]

Despite the Department's attitude, hesitations and views, and at a time when fundamental monetary policy questioned the extension of personal credit, the Bloods appeared to be incurring some of their heaviest debt. As farming income collapsed (Table 5.1), debt rose from $17,056.12 in 1926 to 36,173.22 in 1927 and $75,423.11 in 1928.[86] If business practices prevailing in other areas of the prairies are representative, Native and non-Native were treated very much alike. One dry land area farmer reported the ease with which creditors lent money during the good years and the subsequent ferocity with which they harassed farmers to pay up. This farmer admitted that the habit of "buying on time" spelled trouble for farmers.[87] Merchants and credit institutions, without distinction, harassed Indian and non-Indian alike to make good on their credit purchases. "In the long chain of creditors," writes David Jones, "local merchants were at the last link."[88] With bank liens against poor crops, there was often pitifully little left to be applied against the merchants' credit advances. Jones observes that in 1921: "Hotels were filled with collectors tracing across the countryside seeking to pry loose dollars from penniless farmers."[89] Because of the

Table 5.1. Blood income from the sale of wheat and oats for 1920–27.

YEAR	WHEAT/ BUSHELS	VALUE	OATS/ BUSHELS	VALUE	TOTAL VALUE
1920	32,598	65,196.00	16,260	6,504.00	71,700.00
1921	27,985	27,985.00	7,206	2,522.10	30,507.10
1922	60,537	54,483.30	12,899	4,514.65	58,997.95
1923	212,319	191,087.10	27,249	9,537.15	200,624.25
1924	197,642	187,859.90	29,598	8,879.40	196,739.30
1925	89,580	116,454.00	3,497	1,049.10	117,503.10
1926	120,825	97,000.00	5,191	1,557,30	98,557.30
1927	69,995	41,997.00	2,482	992.80	42,989.80
TOTAL					817,618.80

Figures taken from LAC, RG 10, vol. 7595, file 10103, pt. 5; M. Christianson to W.M. Graham, May 18, 1928.

Indian Act and their wardship status, this was, perhaps, a more difficult and less rewarding venture with regard to the Bloods.

Unlike the banks which were often 'visiting institutions,' merchants were more often members of the local community dealing with neighbours and friends who would be returning yet again to be provisioned against the next year's crop. Businesswoman Mrs. F.A. Moir, Milk River Alberta, wrote:

> As a business woman running the largest general store in this district and knowing how my customers were situated I simply held back this fall [1921] on collections, only to see the banker, lumberman or implement man grab it all by threatening suits or court action. There is no use my holding off only to let some other heartless creditor clean the debtor up.[90]

The tendency for local businesses to show mercy was somewhat curbed by their own operating constraints, which demanded that their own credit purchases from their suppliers be paid in thirty days while their "customers just paid when they could."[91]

Local businesses, however, generously extended credit to the Bloods despite the knowledge born of long experience that Department policy and the application of the Indian Act made such business transactions risky. It is an important consideration whether, in the long run, most of these accounts were paid, and so reduced the overall view of credit extension as more a short-term nuisance than a long-term risk. Perhaps businesses reduced their risk by employing the double pricing system, as discussed above. Since there were, by law, no liens against the Indians' property, all creditors were on a level playing field and each stood a chance to reap some benefit. Being the local supplier and having some knowledge about the ebb and flow of crops and currency, community businesses might possibly have had an edge. Regardless, many merchants probably looked upon the risks as the cost of doing business.

THE DEPARTMENT OF INDIAN AFFAIRS: EXPLANATION AND REACTION

Fortunately, because of the DIA preoccupation with debt and debt reduction, we can reconstruct the situation for the Bloods. Agent Faunt, in 1921, calculated Blood indebtedness at $4,590.18, down from approximately $37,000.00 five years earlier, certainly a notable achievement. Faunt's statement of debt listed twenty-nine businesses and the reasons for the debt but unfortunately not the location of the companies. Most were likely in Fort Macleod and Cardston, although some debt was with companies as far east as Winnipeg.[92] This was also 'guaranteed indebtedness,' that is, debt incurred through and with the approval of the agent's office since the objective of the DIA scrutiny was to prevent individuals assuming a debt load which, in the view of the DIA, they could not handle.

Subsequent attempts to raise the Bloods and the agency to debt-free status were frustrated in their entirety. The policy followed on the Blood reserve had been to issue purchasing orders and pay after harvesting. The DIA and the agent were banking on good harvests, as it were. Whether the incurred debt was as a consequence of unsound fiscal management or poor local purchasing policies is unclear, but of poor harvests there is little doubt. By the fall of 1926 the accumulated debt was so pressing that some creditors were not paid as the Bloods soon ran out of funds. Agent Pugh now asked the Department to pay about $5,000.00 in outstanding debt. With a seemingly minor financial crisis on its hands, the DIA cruelly instructed Pugh to curtail expenses by cutting the food bill from $3,500.00 to $2,500.00 monthly. The results were predictable, "the Indians became

image not available

Figure 5.3.
"John Pugh, Stand Off, Alberta [ca. 1930]." Glenbow Archives, PA-54-11. Indian Agent John Pugh managed Blood Reserve affairs during the difficult Great Depression years.

very ugly, and last week one Indian attempted to assault me, for which I laid a charge."[93] And matters were about to deteriorate quickly.

By 1927 with repeated crop failures and insufficient funds to meet their obligations, the 'guaranteed' debt accumulation was seriously in arrears for $21,017.00.[94] Predictably, merchants' collections from their Blood creditors now became practically impossible. The Bloods, like all of their neighbours in the vicinity, were also without a crop and Pugh was instructed to advise merchants that accounts could not be paid. Importantly, in a contradiction of the DIA's previously stated position, Pugh stated his belief that merchants operated under the assumption that in the event of crop failure the DIA would make good on Blood accounts.[95]

Faced with the reality of the Bloods' needs, available resources, the accumulated debt and the merchants expectations, the DIA now turned its attention to debt reduction, the ordering system, and the extent of the Department's responsibility in meeting credit-order-incurred debt. Secretary McLean feared that paying any such accounts would bring a flood of demands from creditors, an eventuality that was a concern given that neither departmental appropriation nor band funds were available to settle individual Blood accounts.[96] The alternatives were not to engage in the ordering system or to allow the Bloods or other Natives to incur debt.

It was Commissioner William Graham's opinion that the current debt crisis originated when credit borrowed against the 1925 crop was not repaid. Subsequently, the following year the Bloods were short of funds and had to be financed again, with the result that two years' operations had to be financed against the 1926 crop. Although the 1926 harvest looked promising, bad weather reduced the anticipated harvest from the 175,000 bushels expected to only 120,000 bushels. Much of this was graded as 'feed,' bringing only sixty-four cents a bushel for a net return of approximately $97,000.00. The bill for the threshing operations was estimated at $18,000.00 and, in Graham's words, "the Bloods had to have some money out of the proceeds of the crop to buy clothing for themselves and their families, as well as something to live on."[97] Consequently, little funds were left to finance the debt burden.

Although Graham believed that Natives could not responsibly handle their own financial affairs, he did recognize that farming Natives were no different than any farmers – both needed "a little financing" from both banks and merchants. Merchants in particular, Graham noted, wanted assurance of payment, which, in the name of the Department, he was willing to give. But perhaps to reduce his own culpability for the difficulty and tenuous position in which the Department now found itself mired, Graham also stated that merchants were well aware that orders were issued on the promise of crops. In an attempt at partial alleviation, Pugh was instructed to withhold funds from those Indians who could afford a contribution towards their debt.[98] Importantly, however, it was recognized that debt, even for Natives, was considered an essential part of surviving in prairie agriculture.[99]

The crop returns for 1927 were far worse than anticipated. Through a combination of frost, rain, and snow, an expected harvest worth an estimated $300,000.00 was reduced to $30,000.00.[100] Graham now found himself forced to resort to the same tactical retreat from responsibility for increased debt that he was quick to condemn in the agents. He held out the hope of a possible reduction of $15,000.00 in a $40,000.00 debt, "and the balance will possibly have to be carried by the merchants." The crop failure was so extreme that many Natives would have to be supported by the Department if severe hardship was to be avoided.[101] Yet Graham declared that, despite "crop failures or other contingent circumstances," the numbers of destitute should not increase "except by the addition of the aged and incapacitated." The DIA was well aware that some members of the reserve had fallen on hard times. The number of Bloods said to be destitute in 1928–29 was 110, down from the 250 reported for 1927–28. This was a substantial reduction and, given the economic decline, calls into question the criteria used to determine eligibility for relief and suggests that real hardship and destitution had increased.[102]

It is clear that it was not intended to now provision able-bodied Bloods without resources. To his credit, however, Pugh, felt that such an action was parsimoniousness taken to unacceptable levels. Economic opportunities were limited, and, unlike Graham, Pugh saw a connection between available work and the potential for individual destitution. With little alternative, however, he reluctantly responded that he would cut costs despite any hardship caused.[103]

Conceivably, Graham's narrow views were the result of his intimate knowledge of the financial circumstances of the Blood reserve and the appearance they should have been well off. According to Inspector of Reserves M. Christianson's calculations, the Bloods had realized from farming, stock-raising, and leasing more than a million dollars in the decade previous to 1928, certainly sufficient capital to now meet their immediate needs.[104] The reports of repeated crop failure on the reserve, however, make it clear that income was sporadic and not uniformly spread over the decade (Table 5.1). The danger was to see all the Bloods as beneficiaries of this apparent prosperity and to attribute a general well-being that was best credited to those individuals engaged in relatively prosperous farming and cattle-raising. Local merchants must have indeed been buoyed by the infusion of much of this money into the local economy encouraging the interdependence of debtor and creditor alike.

In January 1929, Pugh listed fifteen companies to which the Bloods owed a total of $19,676.19, the result of several years accumulation.[105] As in previous years, the 1928 crop was struck with frost, threshing costs were high, and, after twine, hail insurance, and repairs, insufficient funds remained to meet creditor demands and Blood needs. Pugh accepted responsibility for the apparent sorry state of the reserve's financial affairs, blaming his failure to terminate the "order on credit system." Commissioner Graham's solution was still to wait for "one good crop," an action that, he failed to see, was the original source of the accumulated indebtedness.[106]

The response to this crisis from local businesses was predictable, but their threats to cut credit to the reserve and dire warnings of their own imminent collapse or to appeal to higher authority left both Scott and Graham unmoved.[107] Scott eventually concluded that nothing could be done about these debts; they were an unfortunate, involuntary, but necessary circumstance. Credit, concluded Scott, was "one of the vices of our system."[108] Generally, however, accounts would have to await the realization of a bountiful harvest, as always, expected in the next fall.[109] In its expectation for credit financing for Indians, the DIA's attitude was no different than that of the farmer/settler. When it came time to pay the bills, the DIA, like the farmer/settler in 'next-year country,' looked to the elusive bumper crop.

DEPRESSION

By comparison with the two previous years, 1929 brought a bountiful harvest with 130,250 bushels of wheat average No. 2 grade. The sale of 110,000 bushels at an advance of eighty cents per bushel brought in $88,000.00. Approximately $42,200.00 of this amount was used to pay off old creditors. Fifteen thousand dollars were placed at the disposal of individuals for purchases such as wagons, furniture, or living expenses, and the balance of $20,000.00 was deposited in individual Blood bank accounts. The Bloods still owed some $11,533.84 on individual personal credit accounts. How much of this would ultimately be discharged was uncertain until the final payments from the sale of the grain. Even with further payments, Graham estimated that a debt of about $8,000.00 would remain on the books. Inspector Christianson, with a view to once and for all being rid of the debt, now advised that the merchants be paid in full out of collections for beef and seed grain. This would place the Bloods in debt to the Department rather than to the local merchants.[110]

Any possibility of such debt relief was subsequently dashed when the Bloods, like many others, were victimized by the fall in commodity prices during the Great Depression. The Bloods' tenuous position was further aggravated by the market speculations of Agent Pugh. Pugh believed he could get a better price for the Bloods' harvest and held the grain off the market as the price rose, eventually expecting to get $1.40 a bushel. When the markets subsequently collapsed and the grain was finally sold, the tribe received less than 77.5 cents per bushel or about $88,000.00. Pugh accepted responsibility for the disaster insofar as the decision not to sell had been his. But that was only the beginning. The onset of winter shut down ploughing and haying earlier than usual, even cutting short work in the sugar beet fields. This series of calamities severely limited the income of many Blood families and led to disillusionment on the part of reserve farmers and many quit. By 1932 acres under cultivation decreased by 50 per cent, while income from farming dropped from $100,000.00 in 1930 to $24,000.00 in 1932.[111] From a decade of prosperity for some and limited financial success for others, the reserve and surrounding communities had suddenly descended into economic chaos and depression.

In these circumstances, survival, not debt-restructuring, became the most urgent concern of the Blood reserve's residents. Yet the DIA's senior personnel remained singularly inflexible and insensitive to the Bloods' situation and refused to return to the order system as a means of temporarily alleviating the collective distress. Christianson still expected that future successive crops would square the Bloods' accounts. Unbelievably, given the circumstances, Graham wanted any moneys collected applied against accounts with creditors "and we would at least be square with the public at large." to which Scott gave approval.[112] This was a change but only in that some of the senior bureaucrats recognized Departmental responsibility for legitimately authorized Indian indebtedness.

However, the 1932 crop was so poor that only about $1,000.00 could be spared to pay on all debts. In 1933 the total indebtedness of the agency stood at approximately $10,000.00, excluding monies owed the DIA, an

Table 5.2. Blood Tribe Debt as of April 1934.

CLASS	DIA	OUTSIDE CREDITORS	BLOOD AGENCY	TOTAL
A – Deceased	3,079.92	512.00	826.21	4,418.13
B – Old/Destitute	15,442.96	2,742.39	3111.58	21,296.93
C – Able Bodied (F/C)	49,226.09	8,617.34	6,749.40	64,592.83
D – Able Bodied	20,758.77	5,852.52	5,602.13	32,213.42
TOTALS	**88,507.74**	**1,7724.25**	**1,6289.32**	**122,521.31**
% OF TOTAL	73.3	14.5	13.3	

LAC, RG 10, vol. 7899, file 40103-1, J.E. Pugh to Secretary, April 18, 1934, and attached details.

amount that Christianson felt would be very difficult to clear. Christianson believed that "The good farmers on the reserve have all paid their accounts in full." The deceased, farmers who had quit, or poor farmers owed the balance.[113]

The Bloods' debt, and agency debt incurred on their behalf, was a long-standing problem for merchants and concern for the Department and was without an apparent satisfactory solution. In 1934 Agent Pugh did a major inventory of the Blood accounts owing to the Department, agency, and to outside creditors. Pugh divided his study into four classes: Class A – Deceased Indians, Class B – Old and Destitute Indians, Class C – Able Bodied Indians Farming or Cattle Raising (F/C), Class D – Able Bodied Indians Not Farming or Cattle Raising (Table 5.2). According to his calculations, the Bloods were in debt to all creditors, including the Department, in April 1934, for a total of $122,521.31. He recommended that the balance owed by all classes to the Department be written off, plus what Class A and Class B owed to the agency, for a total write-off of $92,445.53 or 75.45 per cent of the total debt. He further recommended that what classes C and D owed the agency ($12,351.53) and what all classes owed outside creditors ($17,724.25) be collected. Pugh offered no suggestion about how to collect for Class A and from B for outside creditors.[114] Clearly, collecting debt from the deceased and the old and destitute presented a practically insoluble problem.

The $17,724.25 owed to outside creditors was 14.5 per cent of total debt. If Pugh's recommendation that the debt owed the Department and also what classes A and B owed the agency be forgiven, outside creditors, perhaps, stood a much better chance of having their debt repaid. In theory, this move would have placed less strain on the incomes of the individual indebted Bloods. Unfortunately, because of the Depression incomes were reduced as a result of both depressed prices and reduced harvests. Outside creditors now had to compete with the agency, which wanted to collect the portion of debt owed by Classes C and D. These creditors also stood to lose, or at least face great difficulty in collection, of the portion of the debt owed by Classes A and B, which amounted to $3,254.39 or 18.4 per cent of the total $17,724.25 debt owed.[115] (For a breakdown and summary of the debt by class/community see Tables 5.3 and 5.4.) Fortunately, the Department permitted Pugh to collect the debt owed the agency and use these funds to pay outside creditors.[116]

Pugh noted the unfairness of this approach, given that those owing the most, Classes A, B, and D (total of $9,106.91 or 51.4 per cent of the total of $17,724.25 owing Outside creditors), he would be able to collect the least from. He felt that the Class C would be more than compensated by being so penalized because they stood to gain the most if the debts owed to the Department were written off. Their saving would be $49,226.09 or 54.8 per cent of the total of $89,773.74). It is difficult to determine the fairness of this approach since how much each individual owed to the outside creditors or to the Department is unknown. Individuals with the least debt in both cases would not be receiving equitable savings from the cancellation of the debt to the Department and therefore would be subsidizing those more heavily in debt in both cases. To do what Pugh advocated meant that the agency was in fact foregoing collection of its debt, since the funds received were to be used to pay outside creditors, and therefore that portion of the debt was, in reality, also being cancelled.[117]

Table 5.3. Blood Tribe Debt on the Basis of Community Owed.

NO. OF COMPANIES OR INDIVIDUALS OWED	COMMUNITY	TOTAL	% OF TOTAL
14	Cardston	14,316.99	80.8
04	Macleod	458.85	2.6
04	Lethbridge	910.00	5.1
03	Calgary	1,012.33	5.7
01	Winnipeg	1,026.08	5.8
TOTAL		17,724.25	100.0

LAC, RG 10, vol. 7899, file 40103-1, J.E. Pugh to Secretary, April 18, 1934, and attached details.

Table 5.4. Summary of Blood Tribe Debt by Class.

YEAR	CLASS A	CLASS B	CLASS C	CLASS D	TOTAL
1922	232.65	22.00	1,056.17	1,032.48	2343.30
1923				370.00	370.00
1924	59.05	152.92		127.00	338.97
1925	648.46	2,915.18	6,677.46	4,800.01	15041.11
1926	782.23	3,115.34	8,455.15	6,584.23	18936.95
1927	847.99	3,204.67	6,548.44	5,631.36	16232.46
1928	820.30	2,816.46	7,369.79	3,888.27	14894.82
1929	295.00	2,138.74	5,435.39	2,252.30	10121.43
1930	569.63	3,971.47	17,104.61	3,628.17	25273.88
1931	76.24	798.65	2,828.81	741.21	4444.91
1932	57.60	1,121.40	4,909.81	1,393.13	7481.94
1933	28.98	1,022.62	4,160.26	1,765.08	6976.94
TOTALS	**4,418.13**	**21,279.45**	**64,545.89**	**32,213.24**	
*		21,296.43	64,592.83	32,213.42	

LAC, RG 10, vol. 7899, file 40103-1, J.E. Pugh to Secretary, April 18, 1934, and attached details.
* The official figures, which do no agree with my own calculations contained in the line above.

The winter of 1934–35 was a difficult one for the Bloods, with a chronic shortage of income only partly alleviated from the sale of horses. Sadly, the difficulty for some Bloods was compounded by their recent successes. Pugh went on to explain that some of those individuals currently experiencing difficulties were good workers with good incomes who had built up estates now requiring maintenance. Some of the Bloods did have personal means, and Pugh reported that, for the period of December 31, 1934, to December 31, 1935, the Bloods had transacted some $5,177.01 worth of private business, mostly for groceries and car repairs, through the agency.[118]

With frugality and caution watchwords for the Bloods, despite a poor harvest in 1936 the amount owing to the agency and outside creditors did not increase.[119] Pugh was encouraged in his tight-fisted approach because of the experience of the past decades and the Department's monitoring the Bloods' fiscal affairs. The Bloods, however, insisted on exercising any financial independence possible and for the period of January 1 to December 31, 1936, transacted $6,708.55 of private business. In 1936, 179 Bloods had active accounts and enjoyed a per capita income of $104.00, while the per capita income for the tribe was $15.00.[120]

After several years of disaster, the projected 1937 crop held the promise of a general recovery for the reserve and its environs with the *Cardston News* predicting more than $18 million in earnings for Cardston and its local commercial hinterland. Local merchants were challenged to turn their energies towards thwarting the attempts of Lethbridge and other areas to siphon off a share of this anticipated bounty. The paper speculated: "Unless Cardston merchants become active in the realization that this year presents an opportunity unparalleled for many years past much of this cash trade will glide over the graveled roads to distant points."[121] Coming at the end of several years of economic depression and bad crops, it is understandable that the *News* was reticent to have any portion of this projected local bonanza absorbed by Cardston's competitors.

The Bloods, like those around them, were reaping a share of the improving economy. Individually financed business transactions amounted to $24,978.43 for the period January 1 to December 31, 1937, of which local businesses undoubtedly reaped the largest portion.[122] Overall indebtedness for the period 1934 to 1942 experienced only minor fluctuations and the amount officially owing to outside creditors was reduced from just under one thousand dollars to just under one hundred dollars of total debt (Table 5.5.). It is not clear whether the Bloods were spending and financing less or whether there was simply less being done officially through the agency office. The Bloods' position was likely improved, however, by the more than $80,000.00 of debt forgiven by the DIA.[123]

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Figure 5.4.
"Dwelling of Heavy Head, Blood, 1925." Glenbow Archives, NA-2908-11. An indication, perhaps, of success in acquiring property.

image not available

Table 5.5. Blood Tribe Debt, 1934–42.

YEAR	COLLECTABLE INDEBTEDNESS	COLLECTIONS ON DEBT	INCURRED DEBT	CURRENT DEBT	OWING OUTSIDE CREDITORS
1934	14,538.59	–	–	–	–
1935	14,538.59	960.64	671.85	14,249.80	989.79
1936	14,249.80	–	426.48	14,676.28	989.79
1937	14,676.28	1,325.20	1,056.18	14,407.26	989.79
1938	14,407.26	2,088.52	999.36	13,235.34	097.00
1939	13,235.34	–	–	13,187.59	097.00
1940	13,187.59	–	1,685.84	14,873.43	097.00
1941	14,873.43	–	–	14,873.43	097.00
1942	14,873.43	–	–	14,873.43	097.00

LAC, RG 10, vol. 7899, file 40103-1. Table compiled from statement of J.E. Pugh.

Individual fortunes seem to have improved late in the Depression and spending for those who could afford it was significant. In 1938 the Bloods spent $37,392.48 from individual accounts with the two largest expenditures being groceries at $10,882.57 and car repairs, etc., at $5,303.61.[124] Expenditure for 1939 was down at $33,312.45 but still significant. Again groceries, car repairs, gas, and oil accounted for most of this expenditure at $15,571.21 and $6,411.98, respectively.[125] The total sum spent did not dip below $31,000 during the following few years. There was, however, very little change in the amount of debt incurred or retired during eight years of records between 1934 and 1942 (Table 5.5.).

CONCLUSION

Though stated DIA policy on permitting Natives to purchase on credit and incur debt was clear, its application of that policy was less so. A number of factors intervened to cause variations in policy implementation. The feelings of the agent and DIA field personnel, political exigencies and the view from Ottawa, the personal wealth of the individual concerned, the amount of money on hand, economic circumstances in general, and the perception of urgency all played a part in decision making regarding debt-policy implementation. The fact that the Department was very restrictive in both releasing funds and in sanctioning purchases, for example, encouraged the Bloods to incur unauthorized debt. The one immutable fact is the general acceptance that the Bloods needed financing in order to make their reserve activities economically viable, especially with regard to farming.

From the beginning, the Bloods were planned into the economic strategies of the merchant community. Their patronage was both encouraged and appreciated. Attempts by the Department to limit or curtail this form of economic integration with the non-Native community had only limited success. Had the Bloods been simply a debtor society, their commercial involvement with local businesses might have been more easily and formally regulated – the DIA purchasing on their behalf and for their needs as it saw fit. Because the Bloods displayed both personal initiative and some commercial independence, however, they were in a position to maximize their efforts to use credit, a benefit that, like many of their neighbours, they insisted on having.

The difficulties that attended all settlers' attempts to succeed in 'next-year country' also attended the Bloods. Success could not be attained independent of national economic structures, such as banking institutions, or patterns of commercial exchange, such as credit. Depression-induced crop failures and environmental upheaval in the southern Alberta region and on the Blood reserve made the DIA realize that Natives were very much in the same position as others. The Bloods' attachment to their reserve could not mitigate this fact and in all likelihood compounded it. The boundaries of the reserve and departmental policy and supervision were no antidote to the changing economic fortunes of the region or the nation, or to the Bloods' own efforts. The result was that eventually Department bureaucrats at Ottawa came to the same realization as Blood reserve agents – policies had to bend with circumstances if the Bloods were not to be totally reduced to a commercially impotent and beggar society. The Bloods could neither be driven nor restrained without reference to the extended environmental and commercial community in which they lived.

Clearly the Bloods' personal spending habits, and Indian Affairs expenditures on their behalf, resulted in a significant cash transfer to merchants in Cardston, Fort Macleod, and the small businesses situated close to the reserve. In December 1928, the *Cardston News* recognized the special commercial relationship that existed between the Blood reserve and Cardston. The paper opined: "The Indian is a prospective citizen of no mean importance."[126] In March 1929, the *News* elaborated on this commercial bond, describing business relations with the Bloods as

> … most cordial. It is true that the system sometimes causes annoyance to those who must give credit but generally speaking, the Indians' business is fully as well paid and as properly conducted as that of any similar group or community of white men. In fact some of our own business methods might well be remodeled to measure up to the standards of business ethics set by many of our Indian friends.[127]

This was the paper's perception, but it contained, no doubt, a least a kernel of truth to permit such a favourable comparison.

As the Depression ended, increased spending by the Bloods, as a whole, likely ended most of the complaints about the non-payment of debts by individual Bloods. The Bloods were but one portion of the consuming public, of necessity tolerated and, as any other group seasonally harassed or wooed by business as alternating economic fortunes dictated.

Local businesses eagerly sought both Department-sponsored and individually arranged expenditures, even though collecting on credit so freely extended often proved exceedingly frustrating, sometimes even impossible. Undoubtedly, the impact on some commercial establishments was considerable, but for most the benefits outweighed the risk. This was especially true where establishments were not totally dependent on the local area for their sales. Though, like others, individually the Bloods' fortunes varied, collectively they represented a financial opportunity too great to ignore.