

# CANDO Aboriginal Economic Development Recognition Awards

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Anna Classen

## **The Legend of the Flood**

The Cowichan tell of a time when they, the Saanich, Kuper Island, and Nanaimo people were so plentiful that hunting became scarce, and they began to quarrel over boundaries. The wise men of the community became troubled about certain dreams that foretold the destruction of the people through a great flood. They decided to build a huge raft of many canoes tied together, and attached the canoe to the top of the Cowichan Mountains with cedar-bark ropes. Not long afterwards the rain started, the river rose, and soon all the valleys, and even the mountains were under water. The wise people, and the friends who believed, took their families and placed them on a raft, and the raft rose with the water and was the only thing seen for many days.

*How terrified they all were, and could not divine why this terrible calamity had been sent for. They prayed to the Great Spirit for help, but none came.... At length the rain stopped, and they felt the water going down, and their raft rested on the top of Cowichan Mountain, being held by the anchor and the cedar rope. Then they saw land, but what desolation met their eyes. How their hearts were wrung with anguish. It was indescribable, but they took courage and landed and went where their old homes had been. They began to rebuild the village and take up their old life again. After this they increased rapidly, and soon filled their lands with people. Then they quarreled among themselves so bitterly that they agreed to separate, and in this way the world was peopled.*

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History and Folklore of the Cowichan Indians; Harris—Douglas, Martha, Department of Agriculture; The Colonist Printing and Publishing Company; Limited Liability, Victoria BC, 1901.

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Anna Classen, Council for the Advancement of Native Development Officers.

It has been a while since the world was peopled. And the influx of European settlers into the Americas of the last couple of centuries, coupled with the globalization trend we're all so familiar with, has made it increasingly difficult, if not impossible, to live and work in isolation from the rest of the world.

At its annual President's Dinner in Vancouver BC, November 27 1998, CANDO presented Recognition Awards to four outstanding examples of sound and innovative Aboriginal economic development projects. Representing a broad range of initiatives, approaches, and outcomes, each of these award winners developed strong partnerships outside of their communities while maintaining the cultural integrity, and meeting the needs and expectations of their community members. The leaders of each of these initiatives recognized the importance of developing positive working relationships at the community, government, corporate, and international levels.

The **SIIT Call Centre** of the Asimakaniseekan Askiy Reserve provides call out and information gathering services in Cree, Dene and Sauteaux on a fee-for-service basis to public and private sector organizations.

The **Khowutzun Development Corporation** of the Cowichan Tribes in Duncan B.C. has entered into a joint venture to install gas lines in BC, has developed a forest services company, and operates the Cowichan Native Village, a tourist resort.

The **Blood Tribe Agricultural Project** in Standoff, AB, is a state-of-the-art irrigation system that is used domestically and marketed internationally.

Finally, the **Campbell River Indian Band** (CRIB) was elected the 1998 *Economic Developer of the Year* for its joint venture to develop and construct a 360,000 sq. ft. shopping centre. Robert Duncan, CRIB Business Manager mused: "It has taken some getting used to on the part of First Nations management that the majority of partnerships are now being formed with non First-Nations. Clearly, there is still baggage and history on both sides, but not every non First-Nation person who comes along is going to rip you off anymore. Those days are numbered."

Each of these award winners have reached their goal by entering into mutually beneficial partnerships with government, corporations, and other communities and countries without compromising the cultural, social, or environmental

integrity of the communities they serve. Here are their stories.

## 1. 1998 CANDO ECONOMIC DEVELOPER OF THE YEAR

### Campbell River Indian Band Campbell River, BC

I am sitting on the deck of the Tsa Kwa Luten Lodge<sup>1</sup>, intermittently gazing across Discovery Passage to Campbell River, and watching the bald eagle off to my right survey the same view. I can't help but think the Campbell River Indian Band (CRIB) is on to something big. Three to four cruise ships float through these breathtaking summer waters almost every day on their way up the inside passage to Alaska. CRIB, through Robert Duncan, Business Manager, is currently conducting a feasibility study into the development of a deep-sea cruise ship port to capture the large and lucrative market of curious tourists on their way up the calm waters and rugged wilderness of the inside passage.

With the questionable reliability of Campbell River's primary industries in recent years (tourists aren't catching as many salmon, the coal mine has shut down, and the timber industry is in a slump), CRIB's desire to capitalize on eco and cultural tourism just might be the economic leap Campbell River is looking for. No doubt about it, there is great potential. From grizzly and black bear watching, to scuba diving, helicopter/plane tours, and shopping at the Wei Wai Kam House of Treasures<sup>2</sup>, there is no shortage of things to do and places to see. Top that off with Aboriginal education tourism through excursions such as a canoe trip and traditional salmon



bake, and Campbell River might have more to offer than even Juneau or Ketchikan.

it is a huge undertaking, but CRIB is not inexperienced when it comes to making a big idea a big success. Twenty years ago, Chief Bill Roberts saw economic development as essential to successful treaty negotiations. He believed that the more self-sufficient the band was, the more they would be able to bring to, and demand at the bargaining table. He, and the people he worked with, started making plans to build the band's economic capacity by capitalizing on what Campbell River and area had to offer.

The band first looked into the possibility of developing a recreational marina, and after much to and fro with the Department of Fisheries, delivered on its first business venture. With a \$3 million bank loan, CRIB built Vancouver Island's largest marina with 1200 berths (200 of which are commercial), that generates upwards of \$600,000 per year, along with all the benefits associated with the employment it created.

CRIB was ready for its next venture, and it wasn't without vision that they started to explore the idea of building a shopping complex just off the marina, looking out across the water. The band began to seriously pursue the idea around 1990, and conducted a feasibility study that had promising results. They applied a commonly used retail 'formula' that compared the town's spending power to the availability of retailers that could meet consumer demand. The band found that Campbell River was in fact under-retailed, and that many Campbell River residents were going south to Nanaimo or Victoria on weekend shopping excursions.

Having now determined that the shopping centre was a viable business idea, and decided that they wanted to go ahead with the plan, CRIB started showing its feasibility study and proposal to prospective shopping centre developers. In CRIB's initial contact with the first three potential developers, all parties were thinking along the lines of the traditional land lease arrangement. The band would enter into a 99 year land lease agreement with the developer, and would wash its hands of all the decision-making, liabilities, and profits associated with the venture.

Three years, and three uncommitted developers later, a leasing agent for Beaver Lumber introduced CRIB to Northwest Group of Companies. Representatives of CRIB and Northwest met, talked, went over the plans and feasibility

studies, and Northwest Group came back with a proposal for a joint venture. After the initial surprise subsided (Northwest President Klaus Richter believes this to be a retail industry first<sup>3</sup>), CRIB took a step back to review what impact this type of arrangement would have on the band. They took the time needed to seriously weigh the risk factor, and went through some very stringent analyses of the business plan, both on their own, and in consultation with their legal advisors. Then CRIB stepped up to the bargaining table and shook hands on a fifty/fifty partnership with the Northwest Group of Companies, sealing their commitment to be involved in every aspect of the formulation, development, management, and financing of the Discovery Harbour Centre.

Robert Duncan admits that in retrospect, they really had no idea about what they were getting into, but he is emphatic when he says he wouldn't have it any other way. It has been a good ride, one filled with frustration, anxiety, a steep learning curve, and the simple pleasure of standing at the TD Bank, surveying the Discovery Harbour Centre, smiling at a job well done. We talked about it.

**Interviewer:** Can you tell me about the master land agreement and how it came to be?

**Robert Duncan:** There was the natural reserve boundary and another area where there was beach. The band started out with the idea for a recreational marina (back in the late 70s, early 80s), but Fisheries was reluctant to agree because of the habitat concerns (this paved the way for the reclamation project).

CRIB undertook a reclamation project<sup>4</sup> to build the shopping centre. Although they had to alter the natural habitat, filling in land and dredging out the shore created a basin with crabs and prawns.

Part of the land that the complex is developed on is reserve land, and part is fee simple land. The band was reluctant at first to look at the fee simple land, but it has turned out to be more attractive to provide security to lenders, and the band was able to use it as collateral. The province, the band, and the federal government were all signatories.

The master land agreement was the milestone.

CRIB purchased 32 acres of fee simple land through the master land agreement. Fee simple land and leaseholds were combined to form part of the required equity.

**Interviewer:** Could you describe CRIB's relationships with the municipality, the Department of Fisheries, Indian and Northern Affairs Canada, and the province?

**Robert Duncan:**

**Municipality** — Overall, the relationship was pretty good because there were very positive elements for the city. There was a great deal of cooperation. They like to show this off just as much as we do. They took a proactive rather than reactive approach. In terms of the planning department with the city, it was tough for us to convey the idea of motifs and poles. When it was done though, they sat back and said 'wow'.

**Fisheries** — Relations with Fisheries was bumpy at first. Because of the estuary, Fisheries felt they had jurisdiction, and because of the Reserve, INAC felt they had jurisdiction — there was lots of back and forth over this.

CRIB posted a bond of \$300,000 for habitat conservation.

Fisheries basically had a 'no net loss' policy and we accommodated this. We hired an environmental consultant to develop a plan that

showed how we would replace the habitat, and Fisheries said that was acceptable. They are now quite happy, and show this project off as an example of how it can be done.

**INAC** — There was never much consistency. We went through four different land managers over the course of negotiations, and this created a lot of frustration on our part. I attribute \$300,000 of our legal fees to sorting things out with INAC alone. For things to get better, I really think there need to be some major policy changes, and it doesn't look like that's going to happen any time soon.

Although legal fees would have run around \$150,000 under normal circumstances, \$1.3 million and five firms were required in this case.

Their biggest downfall is the time it takes to process paperwork. It is ridiculous. And to say that it is because they're overworked and understaffed is unacceptable as far as I am concerned.

Because of all these problems, it is really important to have a good understanding of land and resource management going into it.

**Province** — Relations with the Province worked out well. Our dealings with them were mostly related to highways — we had to move highway access so that it would go past the complex. This cost highways \$5 million.

One of the guys I worked with was really appreciative at the end because of what he learned about Aboriginal communities and the issues they face. We had lots of arguments, but in the end everything worked out well. In fact Igers<sup>5</sup> and I had a strategy worked out to deal with them — I would play bad cop, and then Igers would call them up and try to smooth the waters by explaining things.

As an example of how things take time and we have to be patient, it took eight months to negotiate a left hand turn into the Junior Strip (the first phase of the development) across from Discovery Harbour Centre.

**Interviewer:** Was it difficult to secure the loans you needed? How many other agencies did you approach?

**Robert Duncan:** We developed the plan and then flew to Toronto and did the dog and pony show

with everybody. Our partners were very surprised that OMERS (Ontario Municipal Employees Retirement System) would even entertain the idea. This was a unique relationship, as they very rarely loaned to developments outside of Ontario, and had not entered into a relationship with a First Nation. But they called a week and a half later and asked to come see what we had planned. We flew them around the potential development, showed them all the other things Campbell River could give, and they said okay, if we could keep it under \$25 million.

Because they are such a huge firm, and because of the special nature characteristics of this deal, their commitment fee (\$1/2 million) and interest rates were high. But both parties are satisfied with the outcome.

OMERS was the first lending agency, and provided \$25 million. The band was still short, so we approached PenCorp for the remaining \$8 million. We therefore had a mezzanine funding arrangement — even though PenCorp was the secondary funder, it made the first commitment by providing for the start-up construction costs. So their money was spent first.

**Interviewer:** What steps did you take to promote the employment of band members in the development?

**Robert Duncan:** The employment placement officer was hired before the project was started. We wanted to identify the qualifications people would need to enhance their ability to participate in the development. We applied for training dollars through HRDC, which was more than happy to help out because of the job creation forecasted. The Band offered training programs for cashier services, security, industrial first aid, construction, and others.

We ask tenants to help us out in job creation for our Band members, but there are no hiring requirements or policies. We ask people to go out and get the qualifications if they want a job. As far as I am concerned, that's the only way to go. That's where I think some communities make a mistake. We're stronger if we take the high road than the low road.

For the most part things are going well, and we simply didn't have enough members to fill all the jobs. The truth is, anyone who's ready, willing, and able to work out there, is.

At the beginning, there was not much expertise in the community that we could draw



on. But the cultural component guided us through. Many of the partners didn't have a good understanding of these issues, and community members were integral to communicating that.

Weiwaikum artist Bill Henderson guided the artistic direction on mall design, and Band members carved all the columns.

**Interviewer:** I've read that there was some opposition to this development. What kind of opposition did you encounter, and how did you address it?

**Robert Duncan:** Local businesses of course weren't too thrilled about the development because of the competition. But surprising to us, we had a great deal of support from the community as well. There were the petty, goofy concerns too, like one guy was really concerned that the band was going to own the city. My response was 'so what'? Times change.

Hotels and motels in Campbell River had what's called a 'shoulder' season the first year the complex was open. One motel said they were planning to expand because of it.

Others were upset because they had this idea that the Band doesn't pay taxes. So not true. We paid \$1 million in taxes to the district alone, not to mention the tax revenues that a thousand new jobs creates.

Someone else thought that the federal government was paying for this. I just smiled when I told him we get \$20,000 a year for economic development. (This is an area I think we really

need to improve on. Economic development is so important).

Some people, especially Band members, were frustrated at the time it was taking because we were paying taxes on what was essentially a big sandbox (\$90,000 in first year, to \$180,000). We have our first SK(1)<sup>6</sup> framed on the wall. By the time the project was done, we were at SK (241). If you want people to accept the project, you have to address these fears and concerns though. I did a lot of presentations for community organizations like the Rotary Club, etc. It was a matter of promoting and getting people used to the idea.

There was a lot of negative media coverage at the beginning that I thought was unfair. So I just called up the editor of one of the papers one day, and we got together and had a heart-to-heart on the matter. I laid all my concerns on the table, and he accepted that. The coverage after that changed dramatically. The other paper took a little longer to come around, but now that the complex is up, running, and working, they realize that it is probably best for them to be on side.

Stores like Zellers and Superstore brought in some competition that was good for Campbell River. Consumers now have a choice, and have access to competitive prices that just weren't there before.

Each of the businesses in the complex have a specific lease. Some pay a flat rent, while others pay a lower base rent plus a percentage of revenues above an agreed-upon amount.

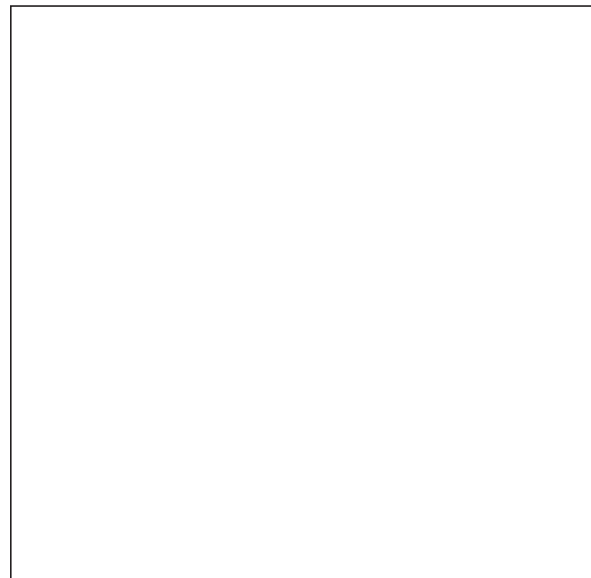
**Interviewer:** If you knew then what you know now, would you do anything differently? And do you have any advice for others?

**Robert Duncan:** Be patient. Don't get too frustrated at the time it takes to get things done. If you have a clear understanding at the outset of the process and the time it takes, that will help. A lot of time is spent on paper work.

It is also important to identify options and have a good discussion and debate within the community because you will need their support.

Be creative.

I personally take a win-win approach so that everyone comes out with something. As far as I am concerned, taking a confrontational approach



really doesn't do much for anyone, it just doesn't seem worth it. If you're negative, that's probably what you're going to end up with.

I was fortunate enough to be in the trenches. I learned so much being a part of this. Every day was different; every day was a new challenge.

For a band that was just learning as it went along, the 385,000 square foot, \$60 million shopping complex is certainly a model example of innovation and industry firsts. The largest new shopping centre built in BC since Metrotown (an enormous Burnaby, BC complex built in the late eighties), the Discovery Harbour Centre entitles the 560 member Campbell River Indian Band to all the kudos it gets.

The Discovery Harbour Centre was a successful venture for a number of reasons. First, the Band and Council started the ball rolling with a strong vision and motivation for economic development. It has always been well understood that CRIB's push for development was to increase the economic capacity, and self-sufficiency of the band. Second, the band was not afraid of developing creative solutions to work around the roadblocks that presented themselves—and there were many. Finally, CRIB made good use of expert consultants and worked hard at developing cooperative relationships with all levels of government and their partners.

Ultimately, they didn't look at what everyone may have done in the past; they built their own path based on their specific needs and special circumstances. They were determined to

make this work, and their willingness to pursue creative solutions to the problems that presented themselves was what pulled them through.

## 2. 1998 RECOGNITION AWARD WINNER

### **Saskatchewan Indian Institute of Technologies Call Centre Saskatoon, SK**

The Saskatchewan Indian Institute of Technologies is governed by Saskatchewan's First Nations, but also operates within the Saskatchewan provincial post-secondary system. One of the first First Nation controlled post-secondary institutions in Canada, SIIT was first established in 1976 as the Saskatchewan Indian Community College, and changed to its current name in 1985. SIIT initially delivered adult academic upgrading, introductory skills and trades, and basic management training to First Nations adults through the province. The programming mixture has evolved to include certified technical, vocational, and trades programming. SIIT continues to develop unique programming to meet the growing vocational and technical training needs of First Nations communities.

As part of its mandate to meet these ever evolving needs, SIIT submitted a proposal in July 1995 to SaskTel for the establishment of the SIIT Call Centre. In April of 1996, SIIT and SaskTel signed a five year contract to provide Aboriginal people in Saskatchewan (both on and off reserve), information on SaskTel's products and services in the customer's Aboriginal language. In return, SaskTel has provided instruction and work-based learning opportunities for Aboriginal employees.

The Call Centre has also established strong partnerships with corporations and businesses throughout Canada, and maintains the Saskatchewan Aboriginal Business/Residential database. SIIT continues to build on this database within the province and in conjunction with other provinces for future market expansion. The Call Centre also boasts the following clientele:

#### *Saskatchewan Indian Gaming Authority (S.I.G.A.)*

Provides inbound international phone services to S.I.G.A.'s 1-888 number published in

various magazines throughout North America. Representatives provide information regarding S.I.G.A.'s four Native-run casinos.

#### *Friesen's Wholesale*

Provided outbound telemarketing services for Friesen's Wholesale company who specialize in wholesale office and school supplies. The target market was First Nations schools and band offices throughout Saskatchewan.

#### *Canada Post*

Provided outbound calling through a survey on behalf of Canada Post to determine the quality of service for Aboriginal residents living in northern Canada.

The first partnership and project of its kind in Canada, the SIIT Call Centre has evolved to provide high tech professional inbound and outbound calling services to the national and international marketplace. The Call Centre is a business unit that employs a skilled group of agents and telephone representatives to conduct specific transactions with customers. The Call Centre now provides services in Cree, Dene, Sauteaux, and English, and plans to expand these languages as demand grows.

## 3. CANDO 1998 RECOGNITION AWARD WINNER

### **Khowutzun Development Corporation Duncan, BC**

The Cowichan are part of the Coast Salish Nation of Southern British Columbia and Upper Puget Sound in Washington State, and speak the Hul'qumi'num' dialect. At the time of first contact with European settlers, the Cowichan people numbered around 6,000 and lived in 12 villages in the Cowichan Valley. Today, the Cowichan Tribe is the largest in BC with almost 3,200 members. A Tribal Council of elected Chief Lydia Hwitsum and 12 Councillors administers business for an amalgamation of six of the original twelve villages. Over 6,000 acres of the Cowichan Valley next to Duncan, BC on the southeast corner of Vancouver Island, house the Tribe's seven Reserves.

The Cowichan Tribes incorporated the Khowutzun Development Corporation (KDC) in 1993 to manage their economic development activities. The groundwork for one of their most successful projects had already been laid by the



time KDC was formed, however. In 1989, Chief Dennis Alphonse sat down with Art Willms, President of Westcoast Energy, wanting to know how the Cowichan Tribes could benefit from the introduction of natural gas on Vancouver Island.

Several other First Nations and non-Aboriginal communities have profited from natural gas pipelines by selling right-of-way access. But Chief Alphonse wanted to try something different. Less than a year after that initial meeting, Chief Alphonse and Art Willms signed a letter of agreement pledging their commitment to work cooperatively to look into natural gas business opportunities for the Cowichan Tribes. The Cowichan worked quickly, and by 1991 had formed a joint venture partnership with Northern Pipeline Ltd. The Khowutzun Pipeline Construction Corporation was formed, with the Cowichan benefitting from 25 percent of the profit, and Northern Pipeline the remaining 75 percent.<sup>7</sup>

Over the next five years, the Cowichan and Northern Pipeline Ltd. would work together to build the Tribe's ability to deliver on all aspects of distribution installation. Northern Pipeline is an internationally certified "total quality" company. This means that they subscribe to a vision of business that encourages all involved in the company to work toward standards that have been developed for each of the specific components of the company. Some of the fundamental management principles to which total quality companies subscribe include:

- work to improve product and service to become competitive, stay in business, and provide jobs
- institute training on the job
- break down barriers between departments — all must work as a team

- institute a vigorous program of education and self-improvement
- encourage pride of workmanship<sup>8</sup>

The Cowichan learned the importance of doing all parts of pipeline installation well, but took this a step further and placed their emphasis on forming relationships with their clients. First-time visitors are always struck by the neatly manicured lawns and beautiful gardens found throughout Victoria. Doug Halverson of Westcoast Energy recalls reading through stacks of letters from Victoria homeowners, describing their encounters with the Cowichan pipeline installers, remarking on the fact that after the construction was done, they couldn't tell their gardens had been disturbed.

Toward the end of their five year partnership, the Cowichan Tribes decided that they wanted to form their own independent company, and conducted research into the best way of going about this. For a variety of reasons, the Cowichan Tribes decided that their best option would be to form a limited partnership. A limited partnership consists of a general partner, and one or more limited partners. Benefits of a limited partnership are that:

- Legal liability of a limited partner is restricted to the individual investment.
- Legal liability of the general partner is contained in a corporation.
- The partnership itself is not taxable as the income is divided among the partners at the end of each year and taxed (or not taxed) in their hands, depending on individual circumstances.
- It provides the potential to separate participants controlling the business from those sharing the profits.<sup>9</sup>

Khowutzun Mustimuhw Contractors Ltd. (KMC) became a 100 percent First Nation owned limited partnership in 1996. Not only did the Cowichan Tribes ensure they had the technical and management training they needed before forming the company, they also made sure that they developed the best possible framework within which to form their company. It must be stressed, however, that even with all this careful planning and preparation, it is not easy to get a business started and profitable. The KMC has come up against some serious challenges that may have caused some to walk away in exasperation, but the company and its shareholders have



been determined to make this work from the beginning.

The KDC was still busy trying to finalize financing for equipment and vehicles days before the start date of its first contract with Centra Gas. But instead of throwing up their hands in despair, KMC crews were out digging trenches on day one — using shovels instead of the backhoes that hadn't yet been delivered. KMC's other partners came through too, with Coast Tractor and Equipment Ltd. and Ditch Witch of BC providing loaner equipment in the interim. With an investment of \$187,000 from the Khowutzun Development Corporation, and an \$800,000 loan from Peace Hills Trust<sup>10</sup>, the equipment needed to install pipelines was purchased shortly thereafter. Today, KMC's equipment holding company, Khowutzun Pacific Pipeline Ltd., has a full fleet of trucks, backhoes, and other equipment.

Although it recorded no profits in the first year of operation, KMC was highly successful in its contract bidding from the beginning. It was KMC's expertise and competitiveness that secured its first contract with Centra Gas, but they have run into some problems in recent years because most clients want them to be bonded. KMC bid on a \$75,000 contract with BC Hydro, but had to be bonded to win the job. They started looking around, but because of the perception on the part on most bonding organizations that property can't be seized on reserve land, they had a great deal of difficulty finding an organization that would put up the bond. They finally found a company that was willing to do this — with a certified cheque from KMC for the full \$75,000 which would be returned to them on successful completion minus a \$4,000 service fee.

This is clearly a serious problem for on-reserve companies that are trying to be competitive in the off-reserve market, but once again, the KMC has proved to be up to the challenge of finding a better way. They have started conducting research with the federal government into what can be done around this issue for both themselves and other on-reserve corporations across Canada.

Khowutzun Mustimuhw Contractors Ltd. has already captured 35 percent of Vancouver Island's natural gas distribution system installation contracts, and has created jobs for as many as eighty-five employees in peak season, 90 percent of whom are Aboriginal. Successfully completed projects include a Centra Gas contract to build a portion of the \$12 million natural gas pipeline to Whistler, BC; and a \$70,000 BC Hydro contract to strengthen the walls of a tidal channel at BC Hydro's Sansum Narrow site near Duncan, BC.

KMC isn't the Khowutzun Development Corporation's only successful venture though. The KDC now also manages the operations of Khowutzun Forestry Services, Cowichan Native Village, and a Tempo service station in Duncan, BC. Khowutzun Forestry Services works with Forest Renewal BC and private industry to create employment in forestry for First Nations people. Cowichan Native Village offers tours to visitors from around the world, introducing them to the history, and future, of the Cowichan and Canada's Aboriginal peoples. Visitors can view and purchase Native art at the Quamichan House, admire the 15,000 kg Red Cedar beams of the Cowichan longhouse, and watch local artisans carve a totem pole, mask, or war canoe in the Khenipsen House. The Village also offers a multi-media show on the Cowichan, story telling, and traditional salmon barbecues and entertainment.

The KDC is currently looking into other venture possibilities, and is seriously pursuing developments in the area of construction, recycling, and provision of gas utilities. With KDC's commitment to training and hiring Cowichan Tribe members, the corporation now has a skilled pool of employees to draw upon to implement these new projects.



#### 4. 1998 RECOGNITION AWARD WINNER

##### **Blood Tribe Agricultural Project Standoff, AB**

We Bloods have had to adapt to white man's ways. BTAP is a way we can overcome obstacles and succeed without losing who we are. We've done it before. The horse and the gun brought us great prosperity. The Indian way of life was improved greatly. Our people lived well.

After the buffalo were wiped out we had to change again. The buffalo was everything to us. It was the heart of all our culture and traditions. When it was gone, the Blackfoot people had to change. Smallpox killed our people and whisky wrecked the lives of many. The Bloods got back on their feet, though. They raised cattle and they went into farming on their own, in their own way. They traded their horses for cattle, they bought a steam engine and plow and broke their land. They farmed their own land in their own way, with no government assistance.

Tractors and big equipment put the Indian farmers out of business. We leased the land to white farmers. We, the land-owners, are the best stewards of our land. We care for the land because it is our children's land. It's right for us to manage our own land. The Creator put the land and the water there for us to use. Years ago, we could let nature take care of itself and of us humans who are a part of nature.... Now, there are so many of us, we have to care for the land differently. BTAP is one way we can use the land and the water the Creator has give us to sustain ourselves. It's a way to self-sufficiency.

At first BTAP was a dream. We set goals so big no Blood Indian had ever thought of doing them. Now, we've made it a reality. We're proving to the white man and to the world that we can do it. We're proving it to ourselves as well. BTAP is a source of confidence in ourselves. We're achieving our goals, ourselves, in our own way. This project is working, bringing in money and good jobs into the community.

Bringing BTAP from a dream to reality has taken almost 50 years and a lot of work from a lot of very good people.... Doing things our own way is important. Turning back to our own spirituality has helped many of us improve our own lives

and those of our communities. In the same way, bringing our own culture and beliefs to irrigation and agribusiness, as we have at BTAP, allows us to succeed on our own terms. BTAP has entered into world trade with its agreement with Sumitomo Corporation of Japan. Our Blood traditions have guided us in the development of this international relationship with its promise of prosperity for many of our people.

We Bloods can use this project as a springboard for agribusiness and other enterprises. BTAP proves we can be successful. We just have to build from here. We have to thank many people, from Chief Jim Shot Both Sides and his council, through Chief Roy Fox and his council who negotiated with the politicians, to Francis First Charger and his staff who turned that dream into a reality.

Chief Standing Alone  
BTAP Annual Report, 1997/98

##### *History*

When the Bloods signed their first treaty (Treaty 7) in 1877, they didn't think they would ever need to give up their nomadic, bison hunting lifestyle to settle on reserve.<sup>11</sup> It wasn't long, however, before the buffalo were nearly extinct, and land came to have a greater importance. In 1881 Chief Red Crow renegotiated with the federal government to settle on the land between the Belly and St. Mary's Rivers, all the way to the Rocky Mountains, and a new treaty was signed on July 2nd, 1883.<sup>12</sup> In 1889, Chief Red Crow planted crops of oats, wheat and turnips. He was one of the first Blood Indians to use horses to plow his fields, and paved the way for the Bloods' agricultural future. Over the next several years, the Bloods continued to develop their agricultural skills, learning to adjust to their new way of life.

Fifty years ago, the Federal Government asked the Blood Tribe to surrender 5,800 acres of land to accommodate construction of the St. Mary's dam and reservoir in the southeast portion of the reserve, and another 1,677 acres to allow for the construction of the distribution canal from the Belly River. Chief Shot Both Sides agreed to both requests, but demanded access to water to irrigate 25,000 acres of Blood lands in exchange. The "Big Lease" was established in 1957 for lease on behalf of Blood Tribe members.

“Chief Shot Both Sides started the whole thing to provide employment for our children and our future people. This whole project is for our children. We’re working for the next generation so they can fit into the world.”<sup>13</sup>

In 1978, the Blood Tribe presented a brief to Alberta Environment’s Oldman River Basin water management study. They outlined the reserve’s social and economic depression, and highlighted the potential benefits of their involvement in future agricultural and irrigation development. The Council’s final report urged the federal and provincial governments to support on-reserve irrigation development.

#### *An Agreement Is Signed*

The Blood Tribe first met with Provincial cabinet ministers in February of 1980 to discuss irrigation development on the reserve and formed a Tripartite Committee of federal, provincial, and Blood Tribe officials. In 1981 through 1983, the Blood Tribe, Agriculture Canada, and Alberta Agriculture conducted a multi-disciplinary study to assess the feasibility of irrigating the “Big Lease”, the northeastern portion of the Blood Reserve.<sup>14</sup> The completed report (1983) found that the project was feasible in all areas, but it was not until 1986 that further discussions took place between the three parties.

From the beginning, Band membership played an important role in the development of the project. A November 1988 referendum asked whether they would allow the Government of Canada to transfer the lands originally surrendered in the 1950s to the Province of Alberta. Although a seemingly innocuous question, it was clear in all the informational literature that this was a referendum on the Blood Indian irrigation project. An agreement could be signed only if the land was transferred to the province. Band members said yes.

The Blood Tribe Irrigation Project Agreement was signed February 24, 1989 by:

- Government of Canada
- Province of Alberta
- Band Council of the Blood Band
- Blood Tribe Agricultural Project Inc.

Funding agencies and Tripartite Committee members included:

- Blood Tribe
- Government of Canada through the Department of Indian and Northern Affairs, Agriculture Canada, and the Native Economic Development Program
- Province of Alberta through Alberta Agriculture and Alberta Environment

Two subcommittees of the Tripartite Committee were formed to ensure the success of the project. The Implementation Advisory Committee (IAC) was formed to facilitate project implementation, and has an advisory role in project construction and financial management. The Environmental Advisory Committee (EAC) focuses on environmental mitigation, monitoring, and enhancement measures as outlined in the recommendations of the Environmental Impact Assessment Report.

Finally, the Blood Tribe incorporated the Blood Tribe Agricultural Project to oversee construction, operate the Irrigation Project once completed, and ensure that Blood Tribe members benefitted from the project in a variety of ways. With an estimated total cost of \$64.5 million over the next ten years, the irrigation project would prove to be an enormous undertaking.

#### *The Blood Tribe Irrigation Project*

On June 9, 1994 the water was turned on and flowed through the newly built canals, drop structures, reservoirs, and pipelines, the pivots spraying some 2300 acres for the first time.

Over the last ten years, BTAP has been responsible for administering and implementing the irrigation project, has coordinated the installation of 98 pivots and is now responsible for irrigating 19,000 acres of the Big Lease. Although the construction schedule was in large part dictated by the weather’s cooperation (or lack thereof), the Blood Tribe Irrigation Project has largely been on schedule and on budget.

The Blood Tribe Agricultural Project (BTAP)<sup>15</sup> leases land from the band, and then turns around and re-leases most of it as fully serviced irrigated land to off-reserve farmers. The irrigated land is leased at about \$100–\$150 per acre, which may seem high at first blush, but is an all inclusive rate.



BTAP staff run the entire irrigation system, set and fix the pivots, and ensure that the right amount of water is delivered at the right time. The system is monitored and operated by a state-of-the-art network of computers

BTAP also strove to ensure that the project was implemented in a way that did not compromise the environmental integrity of the Big Lease. Following the recommendations of the Environmental Advisory Committee, BTAP ensured that:

- water for on-farm irrigation flowed underground
- all pipes used in construction were plastic
- canals were designed to reduce seepage
- erosion control was addressed
- soils were tested for salinity, water erosion and waterlogged conditions
- farming practices that reduced the loss of top-soil were encouraged

BTAP has met its targeted 1999 construction completion date, and is the biggest single-owner irrigation project in Canada with 98 pivots and 19,000 irrigated acres.

#### *Training, training, training*

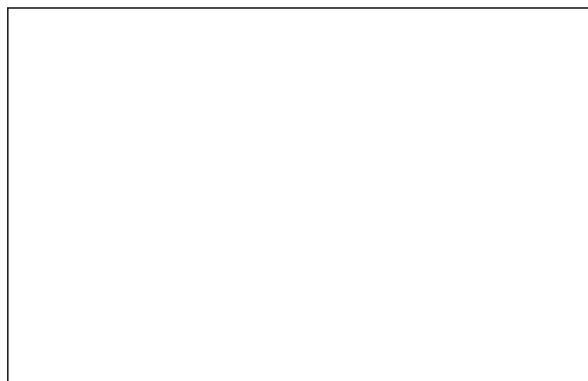
In December of 1989, Chief Roy Fox stated that his primary concern was to ensure that as many Blood Tribe members as possible were put

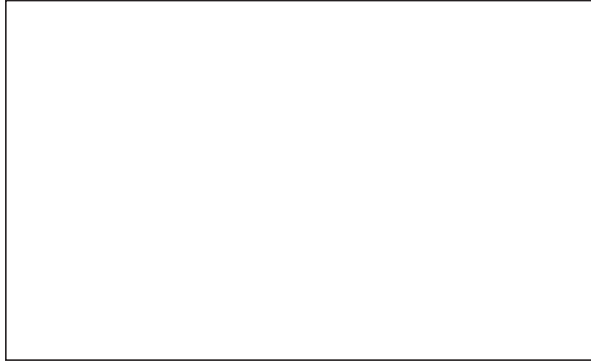
to work on the project. The Blood Tribe negotiated a clause in the irrigation agreement that made it mandatory for outside contractors to hire as many Reserve tradesmen and labourers as was feasible. BTAP also decided to select contractors through invitations to tender; they would then be able to select from a number of contractors who were willing to make a commitment to hire a 75% reserve work force.

And BTAP was successful in this endeavour. More than \$5 million in payroll has gone out to Blood residents through wages and construction contracts. But BTAP did not hire unqualified people to do the work. A comprehensive human resources plan was developed in 1992 that outlined the number of positions required over the next ten years, and the skills needed to fill those positions. BTAP then started gearing up.

Francis First Charger (past BTAP General Manager) spent a great deal of time and effort recruiting the right people and then investing in the training needed to make that person a part of the team. BTAP employees were often recruited one to two years before they would be asked to fill the position, and would be trained in the interim. BTAP set up personalized training programs through Red Crow College, Lindsay Manufacturing, Nebraska Central Community College, University of Lethbridge, Lethbridge Community College, Cremona hay plant, and many other educational and industry partners.

Agriculture Canada through the First Nations Resource Council supported an international exchange where BTAP personnel travelled to the Ak-Chin Indian Community, Maricopa, and the Gila River Farms in Arizona to learn about other on-reserve irrigation projects. Employees spent six months in Arizona working with flood irrigation projects that have been running since 1968.





“I have a lot of responsibility, if a pivot breaks down, we have to be able to get it running again. Everybody just pitches in to keep ahead of farmers and get the job done” (BTAP employee, 1997/98 Annual Report).

BTAP has also started investing in future generations by sponsoring and organizing a yearly summer camp for Aboriginal youth that focuses on alcohol and drug abuse prevention, and offers various camping and cultural activities. About 50 youth aged 11 through 14 have participated each year.

#### *Timothy Hay Processing Plant*

In October 1996, eleven BTAP delegates travelled to Japan on a trade mission sponsored by Aboriginal Business Canada, Ipex, and New-Way Irrigation in Lethbridge. BTAP representatives met with the head office of Sumitomo Corporation<sup>16</sup> to discuss partnership possibilities. BTAP had the opportunity to promote its development, and became the first supplier to see the entire end-use process.

Because of Japan's large and dense population, there is not much room to farm large agricultural crops. There are many dairy farms in operation, though, and timothy hay is in high demand for cattle and race horses. Valued at \$90–\$190 per tonne in Canada, timothy hay is worth \$330 (US) in Yokohama, Japan, and Japanese farmers pay a price of around \$450 per tonne. The Sumitomo Corporation needed hay that could meet the Japanese Government's stringent import regulations,<sup>17</sup> and that could be compressed into bales 40 percent of normal size. BTAP felt they could deliver.

As a result of this trade mission, the Blood Tribe, Transfeeder Inc. of Olds Albers, and the Sumitomo Corporation of Japan signed a forage processing and export agreement on October 27, 1997. Blood Tribe Forage Processing (BTFP) started running on June 1st 1998, and within two weeks had filled two separate orders to Japan, the first of which was ahead of schedule by two days. Operations at the plant are currently on schedule, with three shifts running per day, and an employment roster of more than 40 people. The BTFP export agreement will eventually process and ship up to 30,000 tonnes of timothy hay per year.

#### *International Partnerships*

In addition to the partnership with Sumitomo Corporation of Japan, BTAP has shown off its irrigation model to people representing more than thirty countries including, among others: USA, China, Sudan, India, Uruguay, Egypt, St. Lucia, Zimbabwe, Pakistan, Taiwan, Australia, France, Israel, Mexico, Hungary, and Spain.

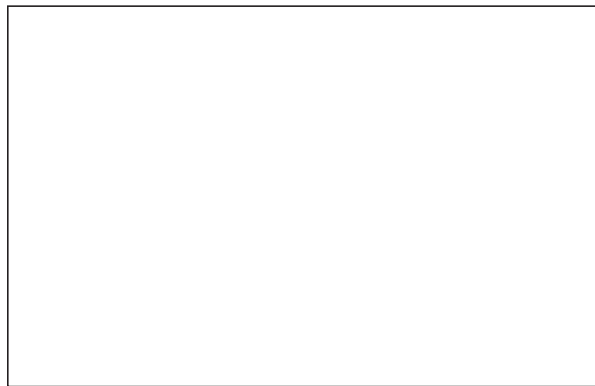
Lee Mapplebeck of the Bank of Nova Scotia in Lethbridge said that the irrigation project has become the model for all First Nations on how to plan, implement, and operate a commercial venture on reserve. BTAP has also become a model for the development and operation of large irrigation projects around the world.

“BTAP has opened a lot of doors, not just in agriculture, but in telecommunications, business application and international investments for our people. It is a source of pride for all of us” Narcisse Blood, Tribal Councillor.

#### *Pride*

One could point to a number of factors that have contributed to BTAP's success—hard work, good partnerships, government support through training programs and funding. But I think more than anything, BTAP has been successful because of the pride that BTAP staff and the Blood Tribe have taken in their work on the irrigation project.

Regular newsletters starting in 1989 have provided comprehensive updates to Band members on BTAP staffing, progress, and financial status. Photos of countless smiling Band mem-



bers working on various stages and components of the project are proudly displayed. Blood elder Pete Standing Alone and Susumo Ono<sup>18</sup> stand hand in hand at Mr. Ono's induction into the Kainai Honourary Chieftainship. And Chief Roy Fox, on the Grand Opening of the irrigation project remarked "Watching the water flow down the canals and spray onto the fields was an experience I will never forget. Even today, as I view the continued construction, I am proud to be a Blood Indian."<sup>19</sup>

#### NOTES

1. Owned and operated by the Cape Mudge Band on Quadra Island.
2. Discovery Harbour's high-end shop of Aboriginal West Coast art.
3. "The project marks the first time in British Columbia that a real estate company and a native group ... have created a joint venture to develop and own a shopping centre on aboriginal land, said Mr. Richter" *The Globe and Mail*, "A mall with a native touch" by Ann Gibson, Wednesday, June 3, 1995.
4. Part of the Band lands under water was filled in to accommodate the development.
5. Igors Sigalias, Senior Vice-President, Westcoast Group of Companies.
6. Architechtural drawing.

7. Northern Pipeline took 75% of the profits because it owned all of the equipment. This was later to prove to be a major factor in the Cowichan Tribe's decision to invest in their own equipment and set up their own pipeline company.
8. W. Edwards Deming started the total quality movement. These come from his 14 Points for Management. More information on total quality management can be found by looking for W. Edwards Deming's writings, contacting the International Organization for Standardization (ISO) at <www.iso.ch>, or the Standards Council of Canada, phone: (613) 328-3222, fax: (613) 995-4564, E-mail: info@scc.ca, Web site: <www.scc.ca>.
9. Al. Solheim, *The Unlimited Potential of Limited Partnerships*, CANDO, 1999, p. 12.
10. An Alberta based Aboriginal financial company.
11. Hugh Dempsey, "Beginning of the Blood Reserve" *Official Opening, Blood Tribe Agricultural Project, June 9, 1994, Souvenir Program*, p. 28.
12. Although the Bloods believed that the 1883 treaty simply confirmed Chief Red Crow's understanding, they did not get all the land between the rivers to the mountains. This was a source of a bitter dispute with the government for many years, and many still believe today that the Bloods received far less than they were entitled to.
13. BTAP employee 1997-98 Annual Report.
14. The partners studied ten components: mapping, land classification, agricultural potential, engineering, groundwater and salinization, economics, environmental and social impacts, implementation, and conclusions and recommendations.
15. The incorporated arm that administers the irrigation project.
16. Japan's largest bank and trading company.
17. Japan wants to ensure that no disease or parasite enters their country, so if a bale has a single head of quack grass, mold, or soil on it, the entire shipment will be sent back.
18. Manager of Sumitomo Feeds and Fertilizer Division.
19. Chief Roy Fox, 1994, on irrigation Grand Opening — BTAP newsletter Winter 1994.