

FIRST NATIONS ECONOMIC
DEVELOPMENT
The Meadow Lake Tribal Council†

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ABSTRACT

A new approach to economic development is emerging among the First Nations in Canada. This approach emphasizes the creation of profitable businesses competing in the global economy. These businesses are expected to help First Nations achieve their broader objectives that include: (i) greater control of activities on their traditional lands, (ii) self-determination, and (iii) an end to dependency through economic self-sufficiency. Two key elements of the First Nations economic development strategy are: (i) capacity building through education, institution building and the acquisition of land and resources, and (ii) the formation of business alliances among First Nations and with non-First Nation companies. At the same time, and at least in part in response to these two elements of the First Nations' development strategy, a growing number of non-Aboriginal corporations are adopting business alliances with Aboriginal people as a part of their strategy for long-term corporate survival. The economic development activities of the nine First Nations of the Meadow Lake Tribal Council provide an excellent example of this approach to development 'in action'.

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INTRODUCTION

The people of the First Nations in Canada are expanding their economic development activities. Through the creation of business ventures competing at the regional, national and international scale, they are struggling to find a place in the new global economy that will allow them to achieve their broader objectives which include: (i) greater control of activities on their traditional lands, (ii) self-determination, and (iii) an end to dependency through economic self-sufficiency. Two key elements of their strategy are: (i) capacity building through education, institution building and the acquisition of land and resources, and (ii) the formation of business alliances among First Nations with non-First Nation companies. At the same time, and at least in part in response to the success of these two elements of First Nations' strategy, a growing number of corporations are adopting business alliances with Aboriginal people as a part of their strategy for long-term corporate survival¹. The MLTC's activities provide an excellent case study of this First Nations' approach to economic development 'in action'.

FIRST NATIONS ECONOMIC DEVELOPMENT

The First Nations of Canada are understandably unhappy with their current socioeconomic circumstances. In the words of George Erasmus, past National Chief of the Assembly of First Nations (AFN) and Co-Chair of the Royal Commission on Aboriginal Peoples "Our people have been relegated to the lowest rung on the ladder of Canadian society; suffer the worst conditions of life, the lowest incomes, the poorest education, and health; and can envision only the most depressing futures for our children" (Erasmus 1989, 1). According to the Federation of Saskatchewan Indian Nations (FSIN), "only one of every three First Nations citizens in Saskatchewan is employed and over 60% of the province's First Nations people are classified as living in poverty — roughly four times the average found in non-Aboriginal communities" (Peters 1996, 8).

Erasmus says that the people of the First Nations in Canada believe that this situation can be turned around. According to Erasmus, this turn around will require a return to the principles of the treaties between the First Nations and Europeans.

All across North America today First Nations share a common perception of what was then agreed: we would allow Europeans to stay among us and use a certain amount of our land, while in our own lands we would continue to exercise our own laws and maintain our own institutions and systems of government. We all believe that that vision is still very possible today, that as First Nations we should have our own governments with jurisdiction over our own lands and people. (Erasmus 1989, 1 & 2)

The people of the First Nations do not expect that exercising political jurisdiction over their traditional lands will automatically result in an improvement in their socioeconomic circumstances. Instead, they acknowledge that economic development is required to break away from financial dependency and lay the ground-work for self-government. Confirming this, Chapter 5 Volume 2 of the report of the Royal Commission on Aboriginal People (titled Economic Development) begins with the sentence "Self-government without a significant economic base would be an exercise in illusion and futility" (RCAP 1997 Volume 2, Chapter 5, 1). In a similar vein, Ovide Mercredi, current Grand Chief of the Assembly of First Nations (AFN), states that "If we gain [political] power for the community but we don't get the economy, we have power that cannot exercise itself" (Mercredi 1994, 7). He goes on to say that "without an economic base the culture is either dying or dead. So what we have to do is restore an economic base ... everything else will fall in place in terms of self-esteem, in terms of community spirit and in terms of improving the standard of living in our community" (Mercredi 1994, 7).

The approach to economic development that has emerged among the First Nations as a result of these circumstances, objectives and beliefs is briefly described in the following section.

First Nations' Approach to Economic Development

Overall, individual First Nations exhibit a predominately collective approach to economic development that is closely tied to each First Nation's traditional lands, its identity as a Nation and its desire to be self-governing. The First Nations development approach is intended to serve three purposes: the improvement of socioeconomic circumstances, the attainment of

economic self-sufficiency in support of self-government, and the preservation and strengthening of traditional culture, values and languages². This view is confirmed by the Report of the Royal Commission of Aboriginal Peoples which says that for Aboriginal people economic development is about:

much more than individuals striving to maximize incomes and prestige, as many economists and sociologists are inclined to describe it. It is about maintaining and developing culture and identity; supporting self-governing institutions; and sustaining traditional ways of making a living. It is about giving people choice in their lives and maintaining appropriate forms of relationship with their own and with other societies (RCAP 1997 Volume 2, Chapter 5, 5).

It is this strong collective approach with a 'national' focus and the emphasis placed on culture, values and languages that distinguishes the First Nations' approach to economic development from the approach of other Canadian communities of a similar size and in similar locations.

The First Nations believe that they can achieve their development objectives through participation in the global capitalist economy. They expect profitable businesses competing successfully in this economy to: (i) provide them greater control over economic activities on their lands, (ii) create employment, and (iii) generate the wealth necessary to support self-government and improve socioeconomic conditions. Importantly, in spite of their national status, individual First Nations exhibit many characteristics associated with the local/regional scale (population, size and location of land base, etc.) as opposed to those commonly expected at the national scale. Acknowledging this, First Nations realize that to succeed in the global economic environment, they must form business alliances with other people and groups (First Nation and non-First Nation). Finally, the First Nations recognize that for their economic development approach to be successful they must build capacity through: (i) education, training and institution-building, and (ii) the realization of the treaty and Aboriginal rights to land, resources and self-government.

This First Nations' economic development approach is an excellent example of what Sayre

Shatz (1987) calls the 'assertively pragmatic approach' to participation in the global capitalist economy. He suggests that this approach is becoming the strategy of choice among developing people around the world as they reject both the 'acceptance' and 'rejection' approaches born of the modernization/neo-liberal and dependency perspectives, respectively³. The essence of the pragmatic approach of the First Nations is captured in the following statement from Tahltan people of British Columbia.

We wish to make it very clear that the Tahltan People and the Tahltan Tribal Council are not inherently opposed to any specific type of business or resource development within our country. However, we do feel strongly that any development within our tribal territory must adhere to some basic principles.

Before a resource development project can commence within Tahltan territory, it will be necessary for the developer and the Tahltan Tribal Council to enter into a project participation agreement that encompasses the following elements and basic principles:

1. assurance that the development will not pose a threat of irreparable environmental damage;
2. assurance that the development will not jeopardize, prejudice or otherwise compromise the outstanding Tahltan Aboriginal rights claim;
3. assurance that the project will provide more positive than negative social impacts on the Tahltan people;
4. provision for the widest possible opportunity for education and direct employment-related training for Tahltan people in connection with the project;
5. provision of the widest possible employment opportunities for the Tahltan people with respect to all phases of the development;
6. provision for substantial equity participation by Tahltans in the total project;
7. provision for the widest possible development of Tahltan business opportunities over which the developer may have control or influence;
8. provision for the developer to assist the Tahltans to accomplish the objectives stated above by providing financial and managerial assistance and advice where deemed necessary. (Notzke 1994, 215)

THE ECONOMIC DEVELOPMENT ACTIVITIES OF THE FIRST NATIONS OF THE MEADOW LAKE TRIBAL COUNCIL

The economic development activities of the nine First Nations of the Meadow Lake Tribal Council provide an excellent example of the First Nations' approach to development 'in action'. This case study that follows explores these activities paying particular attention to role of mutually beneficial alliances (MBAs) among First Nations and between First Nation and non-First Nation partners. In exploring the role of MBAs, the following factors are considered:

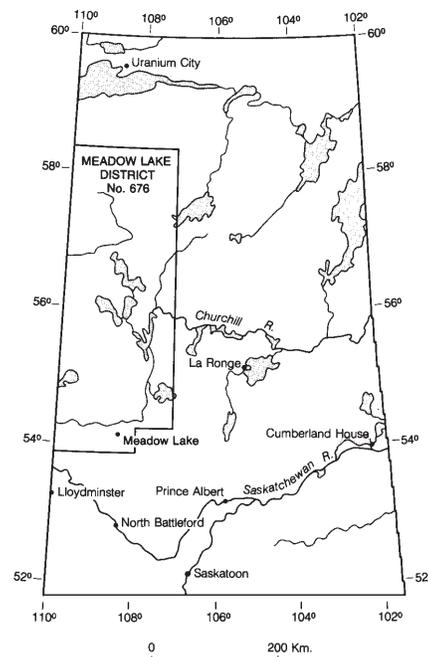
1. The location of First Nations, the nature of resources owned or controlled by the First Nations and the importance of these resources to the success of the joint venture.
2. The significance of a particular project to the overall objectives of the non-First Nations business.
3. The approach of the non-First Nation business to long-run organizational survival and social responsibility.
4. The community development goals and business development strategies and structures of First Nations.
5. The degree to which the expected and actual outcomes of a MBA (and the methods used to attain those outcomes) are consistent with community goals and strategies and are considered acceptable by the community.

The case study begins with a description of the study area — its geographic location, its communities, and its people and their demographic and socioeconomic characteristics. Next, attention shifts to the MLTC and its efforts to improve the socioeconomic circumstances of the people of its member First Nations. Finally, considerable attention is devoted to the MLTC's economic development activities in the forestry sector and the preparation of the Tribal Council's twenty-year development plan.

Study Area

The study area is defined by the boundaries of the Meadow Lake Tribal Council (see Figure 1). The First Nations of the MLTC are located in the Churchill River Basin⁴. The southern part of

FIGURE 1
The Meadow Lake Tribal Council



Source: Anderson and Bone 1995a, 126

the MLTC territory is drained by the Beaver River and its tributaries (in particular the Waterhen and Meadow Rivers), into Lac Ile-a-La-Crosse. The northern section is drained by a number of rivers into La Loche, Turnor, Peter Pond and Churchill Lakes which in turn drain into Lac Ile-a-La-Crosse and the Churchill River proper.

There are nine First Nations in MLTC, four Dene and five Cree (see Table 1). At the end of 1993 according to the MLTC, the total population of these First Nations was about eight thousand "with 3,907 living on their own reserve, 466 living on another reserve, and 3275 living off reserve" (MLTC 1995b, iii). According to the 1986 census, the reported on-reserve population of the nine was 4,972, up from 4,334 in the 1981 census.

Within the geographic boundaries of the MLTC there are a number of non-First Nation communities and three rural municipalities (see Table 2). According to the 1986 census, this

TABLE 1: MLTC First Nations

Cree First Nations	Dene First Nations
Canoe Lake	Birch Narrows
Flying Dust	Buffalo River
Island Lake	Clearwater River
Makwa Sahgaiehan	English River
Waterhen Lake	

TABLE 2: Non-First Nation Communities

<i>South Urban (Town, Villages and Hamlets)</i>	<i>Rural Municipalities</i>
Meadow Lake	Meadow Lake #588
Gregg Lake	Loon Lake #561
Makwa	Beaver River # 622
Loon Lake	
Goodsoil	
Pierceland	
<i>North — Villages and Hamlets</i>	
Green Lake	Patuanak
Cole Bay	Buffalo Narrows
Jans Bay	St. Georges Hill
Beauval	Michel Village
Pinehouse	La Loche
Ile a La Crosse	Turnor Lake

non-First Nation population totalled 16,637 (9,923 in the South and 6,714 in the north). Most of the non-First Nation population in the north are Metis. The demographic and socioeconomic conditions of the people living in the MLTC region are described in greater detail in the next section.

The Demographic and Socioeconomic Conditions

Data about the socioeconomic conditions of the people living within the study area at the start of the study period was drawn from the 1986 Census. The communities within census divisions of the study area have been divided into four categories. The first category is 'southern urban' and the second is 'southern rural municipalities'. The third category is 'northern villages and hamlets'.

The fourth category is 'First Nations' consisting of two sub-categories: (i) 'southern First Nations' and (ii) 'northern First Nations'. Values for various socioeconomic variables for each census division within each category were combined and, when necessary, a weighted average calculated (e.g. household income) to arrive at the value for each variable for each of the community categories. The values for each variable for each category were then converted to proportions to permit comparisons among the categories of communities.

Two demographic characteristics are particularly worthy of note (Table 3). First, the data indicate that the people of the rural municipalities and of the town, villages and hamlets in the southern part of the study area were predominantly non-Aboriginal (93% and 78% respectively) while the people of the First Nations and the northern villages and hamlets were overwhelmingly Aboriginal (99% and 96% respectively). Members of the Meadow Lake First Nations (MLFNs) living on reserve accounted for almost 25% of the population of the study area. Aboriginal people (First Nations and Metis) made up 60% of the region's population.

The second item of note from Table 3 is the rate of population growth from 1981 to 1986. The rate for the region as a whole was 10.4%, well above the provincial average of 4.3%. Significantly, there was a great difference between rates of population growth of the First Nation and non-Aboriginal communities. From 1981 to 1986, the First Nation on reserve population increased by 14.7% (more than three times the provincial rate), while the non-Aboriginal population in the area grew by only 2.1% (half the provincial rate).

The difference in the growth rates between First Nation and non-Aboriginal groups was reflected in the age distributions of their populations (Figure 2). In 1986, 44% of the people of the region's First Nations were under 15 years old. In contrast, only 27% of the people of the non-Aboriginal groups were under 15. The figure for the province as a whole was 25%. A similar difference existed at the older end of the age distribution. For both the province and the non-Aboriginal people of the study area, 20% of the population was older than 54. In contrast, only 7% for the population of the First Nations was over that age. The youthfulness of the First Nation population and the high growth rate have obvious and significant implications. The most

TABLE 3: Population in 1981 and 1986

<i>Population</i>	<i>Non-Aboriginal</i>			<i>Aboriginal</i>			<i>Study Area</i>	<i>Province</i>
	<i>Rural Municipalities</i>	<i>Town, Villages & Hamlets — South</i>	<i>Total Non-Aboriginal</i>	<i>Villages & Hamlets — North</i>	<i>First Nations</i>	<i>Total Aboriginal</i>		
Population — 1986	4,676	5,247	9,923	6,714	4,972	11,686	21,609	1,009,613
Population — 1981	4,694	5,029	9,723	5,522	4,334	9,856	19,579	968,313
Percent growth	-0.38%	4.33%	0.06%	21.59%	14.72%	18.57%	10.37%	4.27%
% Aboriginal Origin	7%	22%	15%	93	99%	96%	59%	

Source: 1986 Census of Canada

TABLE 4: Labour Force Participation and Unemployment Rates, 1986

	<i>Rural Municipalities</i>		<i>Town, Villages & Hamlets — South</i>		<i>Non-Aboriginal</i>		<i>Villages & Hamlets — North</i>		<i>First Nations</i>		<i>Study Area</i>	<i>Province</i>
	<i>Municipalities</i>	<i>Hamlets — South</i>	<i>Villages & Hamlets — South</i>	<i>Non-Aboriginal</i>	<i>Aboriginal</i>	<i>Aboriginal</i>	<i>Aboriginal</i>	<i>Aboriginal</i>				
Population 15 years and older	3,405	3,825	7,230	4,145	2,810	6,955	14,185	751,090				
In the labour force	2,495	2,270	4,765	2,140	1,070	3,210	7,975	501,750				
Employed	2,300	2,055	4,355	1,440	720	2,160	6,515	461,515				
Unemployed	195	220	415	695	350	1,045	1,460	40,225				
Participation rate	73%	59%	66%	52%	38%	46%	56%	67%				
Unemployment rate	8%	10%	9%	32%	33%	33%	18%	8%				
Per cent of Population 15 years and older employed	68%	53%	60%	35%	26%	31%	46%	61%				

Source: 1986 Census of Canada

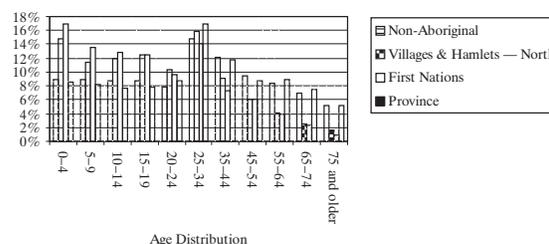
important of these is the looming growth in the potential labour force and resulting pressure on the already very high levels of unemployment.

In 1986, there was a clear difference in participation and employment patterns between the people of the MLFNs and the non-Aboriginal people of the region (Table 4). Only 38% of the people of the First Nations participated in the labour force whereas 66% of non-Aboriginal people and 52% of the residents of northern villages and hamlets did. The difference in employment pattern between First Nation and non-Aboriginal people in the study area extended beyond participation rates to the unemployment rates. According to the 1986 census, 33% of the people in the First Nation workforce were unemployed (32% — northern villages and hamlets). This compared very unfavourably with the 9% unemployment rate for non-Aboriginal people.

Taken together the participation rate and unemployment rate for each group tell a graphic tale. In 1986, 60% of all the potential non-Aboriginal labour force (age ≥ 15) of the study area were employed. The percentages for the two Aboriginal categories were markedly lower — 35% for northern villages and hamlets and only 26% for First Nations. This highly unsatisfactory situation has the potential to deteriorate sharply given the high rate of population growth and the related large and growing pool of First Nation young people who will be entering the labour force in next few years. The implications are obvious. There is a desperate need to create employment opportunities for the people of the MLFNs, as there is for the other Aboriginal people of the region.

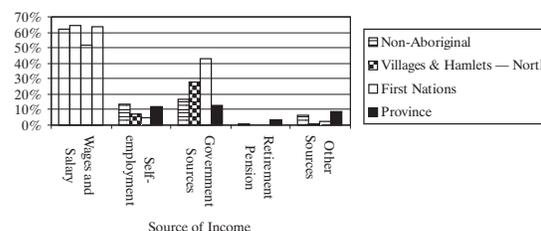
The sources of 1986 household income (Figure 3) are consistent with the low participation and high unemployment rates described and the resulting reliance by many First Nation people on various forms of government transfer payments (social assistance, unemployment insurance, training allowances and the like). Just over 50% of the people of the First Nations reported employment as their primary source of income. In contrast, the figures reported by non-Aboriginal people, the people of the northern villages and hamlets, and the province as a whole were 62%, 64% and 64%, respectively. As one would expect, this pattern reversed with respect to income from government sources as a primary source with First Nations reporting the highest level at 43%, non-Aboriginal people at 17%, northern villages and hamlets at 28%, and

FIGURE 2:
Age Distribution, 1986



Source: 1986 Census of Canada

FIGURE 3:
Source of Income, 1986

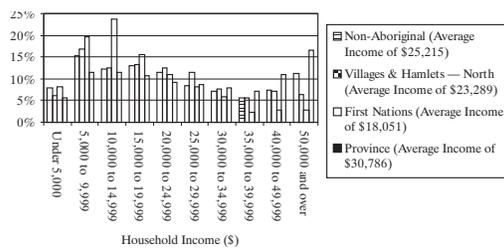


Source: 1986 Census of Canada

the province at 13%. There was also clear but smaller differences among the groups in the other income source categories. For example, self-employment income stood at 5% for First Nations in contrast to rates at more than twice that level for non-Aboriginal people and the province as a whole (13% and 12% respectively).

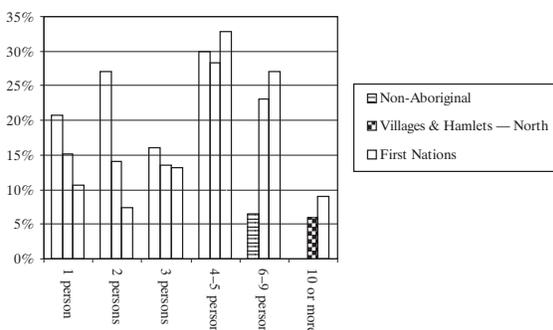
Household income (Figure 4) and household size (Figure 5) offer additional insight into the relative economic circumstances of the groups in the study area. In 1986, fully 52% of the people of the First Nations lived in households with an annual income less than \$15,000. In contrast, only 36% of the residents of northern villages, 35% of non-Aboriginals in the study area, and 29% for the province as a whole reported household incomes below \$15,000. A similar pattern of inequality existed at the upper end of household income. Only 8% the people of the First Nations

FIGURE 4:
Household Income, 1986



Source: 1986 Census of Canada

FIGURE 5:
Household Size, 1986

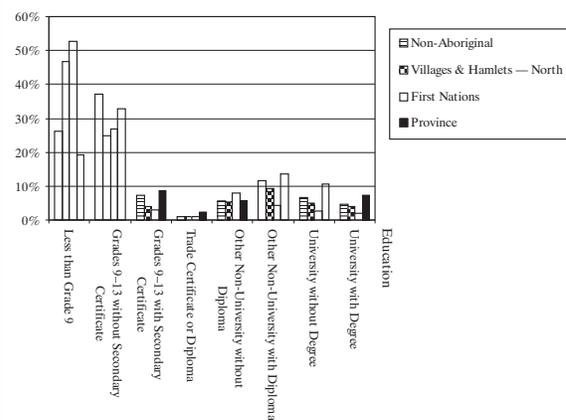


Source: 1986 Census of Canada

reported household income in excess of \$35,000 compared to 10% for northern villages and hamlets, 25% for non-Aboriginal communities and 35% for the province.

While the lack of employment opportunities in First Nation and northern communities was the major cause of the low participation and high unemployment rates of both Aboriginal groups, relative education levels were a contributing factor (see Figure 6). Fifty-three percent of First Nation members 15 and older had an education less than grade nine. The figure for the residents of the northern villages and hamlets was 47%. These levels compare unfavourably with the levels of the non-Aboriginal people of the study area and the people of the province as a whole, which were 26% and 19% respectively. Equally significant is the disparity between the

FIGURE 6:
Education Level, 1986



Source: 1986 Census of Canada

proportion of people with an education level of grade 12 or higher — First Nations 21%, northern villages and hamlets 28%, non-Aboriginals in the study area 37% and the province 48%.

As is evident from the preceding figures, the socioeconomic circumstances of the people of the First Nations of the MLTC were far from satisfactory in 1986. Further, it is obvious given the age distribution and population growth rate, these circumstances were bound to worsen unless significant economic development occurred creating employment opportunities in large numbers. It is also evident that education levels would have to improve if the people of the First Nations (existing participants and new entrants to the labour force) were to have the capacity to take advantage of any employment and business opportunities created. The efforts of the Meadow Lake Tribal Council, described in the following sections, were directed to these ends.

The Meadow Lake Tribal Council

According to its 1992–93 annual report, “the Meadow Lake Tribal Council is the political, service and corporate organization of the nine Meadow Lake First Nations” (MLTC 1993, 4). In 1986, the Tribal Council was formed as the result of the reorganization and expansion of

Meadow Lake District Chiefs Joint Venture that had been formed in 1981. The responsibilities of the Tribal Council and the authority necessary to carry out those responsibilities are delegated to it by the people of its member First Nations.

The Tribal Council is governed by the nine First Nation Chiefs who are elected by the eligible membership of each First Nation. The Chiefs set policy and direction for the Tribal Council, bringing forward the issues and concerns from their First Nation members (MLTC 1995b, iii).

Since its inception in 1986, economic development for its member Nations has been one of the primary objectives of the Tribal Council. According to its 1990–91 Annual Report, the MLTC had been operating a business development program for the previous six years. The objective of the program was to “stimulate economic growth for First Nations and to encourage an entrepreneurial spirit among our people” (MLTC 1991, 26). According to that same annual report, 106 business projects were undertaken during the six years of the program ending in 1991. Of this total, 65% were reported to be still operating at the time of the preparation of the 1990–91 report. Norsask Forest Products Ltd. and MLTC Logging and Reforestation Ltd. were among the projects begun during this period.

Results 1986–1991

A comparison of 1991 census values with the 1986 values for selected socioeconomic measures provides an indication of the impact of the MLTC’s development efforts during this five year period (Tables 5 and 6). This is not to say that the MLTC’s business development activities were the sole cause for any improvement in employment and income. However, it is reasonable to assume that the 66 or so businesses started by the MLTC between 1986 and 1991 created jobs and income that otherwise would not have been created.

There was a modest improvement in the employment, participation and unemployment rates of the people of the MLFNs between 1986 and 1991 (Table 5). The potential labour force grew by 270 over the five years while the workforce grew by half that number (135). This resulted in a 1.1 percentage point increase in the 1991 participation rate over that of 1986. Coincidentally, the number of people employed in 1991 also increased by 135 over 1986 levels. It seems

likely that much of this increase was a result of the 66 or so new businesses created as a result of the MLTC’s business development program. As a result of this increase in employment, between 1986 and 1991 the unemployment rate fell by 4 percentage points and the proportion of the potential labour force employed increased by almost 2 percentage points over the period. It is noteworthy that in all aspects of employment reported in Table 5, the improvement in performance of the First Nations over the period exceeded that of the other Aboriginal group—northern villages and hamlets. However, in spite of this improvement, in 1991 the performance of the First Nations fell far short of that for the non-Aboriginal category.

There was also a change in household income distribution over the same period (Table 6). The number of First Nation households reporting an income of less than \$30,000 in 1991 declined by 9% from the number in 1986, while the number with income above that level increased by a similar amount. During the same period, there was a 6% decline in the number of northern village and hamlet households reporting income less than \$30,000 and a decline of 20% in the number of non-Aboriginal households. As with the employment data, the performance of First Nations households was superior to that of households in the northern villages and hamlets category but fell short of that of non-Aboriginal households.

In an effort to gain further insight in the change in income amount and composition Table 7 compares average employment income and numbers between 1986 and 1991. The average full time employment income in 1991 differed by slightly less than \$3,000 between the First Nations and non-Aboriginal categories (up from a difference of \$1,200 in 1986). This difference was substantially lower than the \$10,000 difference in 1991 household income between the two categories. This can be attributed to at least two factors: (i) the lower participation rate and resulting greater reliance on non-employment (generally lower) income sources by First Nations’ households, and (ii) the larger number of two income households among non-Aboriginal people.

The differences between the changes in employment numbers between 1986 and 1991 for the two Aboriginal categories are striking in two ways. First, the average full-time employment income among First Nations increased by 16%,

TABLE 5: Unemployment and Participation, 1986 to 1991

	1986			1991			Change		
	First Nation	North Villages Hamlets	non-Abor.	First Nation	North Villages Hamlets	non-Abor.	First Nation	North Villages Hamlets	non-Abor.
	Population 15 years and older	2,810	4,145	7,230	3,080	4,230	7,250	270	85
In the labour force	1,070	2,140	4,765	1,205	2,015	5,185	135	-125	420
Employed	720	1,440	4,355	855	1,415	4,790	135	-25	435
Unemployed	350	695	415	350	575	400	0	-120	-15
Participation rate	38%	52%	66%	39.1%	48%	72%	1.1%	-3%	6%
Unemployment rate	33%	32%	9%	29.0%	29%	8%	-4.0%	-3%	-1%
Per cent of Population 15 years and older employed	26%	35%	60%	27.8%	33%	66%	1.8%	-2%	6%

Source: 1986 and 1991 Censuses of Canada

TABLE 6: Household Income, 1986 to 1991

	1986			1991			Change (%)		
	First Nation (%)	North Villages Hamlets	non-Abor. (%)	First Nation (%)	North Villages Hamlets	non-Abor. (%)	First Nation	North Villages Hamlets	non-Abor.
	less than \$10,000	28	23	23	24	17	6	-4	-6
10,000-14,999	24	13	12	20	18	13	-4	5	1
15,000-19,999	16	13	13	16	13	10	0	0	-3
20,000-29,999	19	24	19	18	19	20	-1	-5	1
30,000-39,999	8	14	13	11	13	16	3	-1	3
40,000-49,999	3	7	8	6	8	13	3	1	5
50,000 and over	3	6	11	6	13	21	3	7	10

Source: 1986 and 1991 Censuses of Canada

TABLE 7: Change in Average Employment Income and Numbers, 1986–1991

	1986				1991				% Change	
	First Nation	Northern Villages Hamlets	Non-Aboriginal	First Nation	Northern Villages Hamlets	Non-Aboriginal	First Nation	Northern Villages Hamlets	Non-Aboriginal	
Males — full year, full time	160	560	1,410	160	380	1,570	0	-32	11	
Average employment income	\$20,185	\$24,624	\$21,111	\$23,296	\$27,441	\$27,932	15	11	32	
Males — part year or part time	475	1,000	1,355	480	680	1,305	1	-32	-4	
Average employment income	\$6,320	\$8,628	\$11,043	\$7,436	\$9,275	\$17,847	18	7	62	
Females — full year, full time	100	295	525	160	305	900	60	3	71	
Average employment income	\$17,160	\$18,781	\$18,337	\$20,656	\$21,920	\$19,406	20	17	6	
Females — part year or part time	215	570	1200	245	425	1,270	14	-25	6	
Average employment income	\$6,267	\$7,296	\$7,270	\$6,317	\$8,220	\$9,511	1	13	31	
All — full year, full time	260	855	1,935	320	685	2,470	23	-20	28	
Average employment income	\$19,022	\$22,608	\$20,358	\$21,976	\$24,983	\$24,826	16	11	22	
All — part year or part time	690	1,570	2,555	725	1,105	2,575	5	-30	1	
Average employment income	\$6,304	\$8,144	\$9,271	\$7,316	\$8,869	\$13,735	16	9	48	

Source: 1986 and 1991 Censuses of Canada

almost double the 9% rate of increase among the people of the northern villages and hamlets. Second, full-time employment among the people of the First Nations increased by 23% while full-time employment among those from the northern villages and hamlets fell by 20% over the five years. This raises the question—Why was the relative employment and income performance of the First Nations over the period 1986–1991 superior to that of northern villages and hamlets?

Between 1986 and 1991, the two Aboriginal groups differed in their approach to economic development. The MLFNs through the MLTC had a much more collective and planned approach to the process and that approach seems to have borne fruit. The leaders among the people of the northern hamlets and villages appear to have agreed with this conclusion. In the early 1990s, through an association of northern municipalities, they began to develop a common economic development strategy. In March of 1990, the 14 members of the Northwest Saskatchewan Municipalities Association formed Keewatin Dahze Developers Inc. “as their formal body to address economic development initiatives” (K. D. Developers 1993, viii). One of the projects undertaken by K. D. Developers was the creation of Northwest Logging and Reforestation. The objective was to create “a commercially viable woodland contracting operation” (K. D. Developers 1993, viii) providing the people of the member communities with an “opportunity to participate at an unprecedented level in the forest industry in Saskatchewan’s northwest” (K. D. Developers 1993, x).

Building on the modest success achieved between 1986 and 1991 and in response to the larger unmet challenge of parity with non-Aboriginal people, the economic development mission, objectives and strategies of the MLTC have evolved and matured. By the 1993, a clear vision for the future was in place and the role to be played by economic and business development in the realization of that vision identified. According to its 1993–94 annual report:

[The] MLTC’s vision is to support its member individuals, families and communities in achieving health and a state of well-being. This state of well-being means achieving health and a balance in the spiritual, physical, mental and emotional aspects of life. The MLFNs wish to achieve increased self-reliance in all as-

pects of life as part of this approach and philosophy (MLTC 1994, 4).

In pursuit of this self-reliance:

the Chiefs of the MLTC have jointly mandated a twenty year plan of economic development strategy aimed at achieving parity with the province in terms of employment rate and income level. In short, we are striving to create and maintain 3,240 good-paying jobs in the next 20 years (MLTC 1994, 20).

The basic strategy adopted to achieve this objective was to “develop and establish ‘anchor’ businesses around which smaller enterprises can flourish bringing long lasting economic activities and benefits” (MLTC 1994, 20). The MLTC had decided, as far back as 1988 with the purchase of 50% of the Meadow Lake Sawmill, that forestry offered a particularly good opportunity for the creation of such an anchor business.

Since 1991, the MLFNs have greatly expanded their forestry activities. They have also prepared a comprehensive twenty-year development plan indicating how they expect to achieve their objective of ‘socioeconomic parity’ with the non-Aboriginal people of the province. The forestry activities of the MLTC and the twenty-year plan and the process used to develop it are interrelated. The experience in forestry development and in particular the crisis that occurred in the 1992/93 (described in the following section) pointed out the need and provided the impetus for the preparation of the twenty-year plan. The MLTC’s forestry activities and the development of its twenty-year plan are the subjects of the next two sections of this chapter.

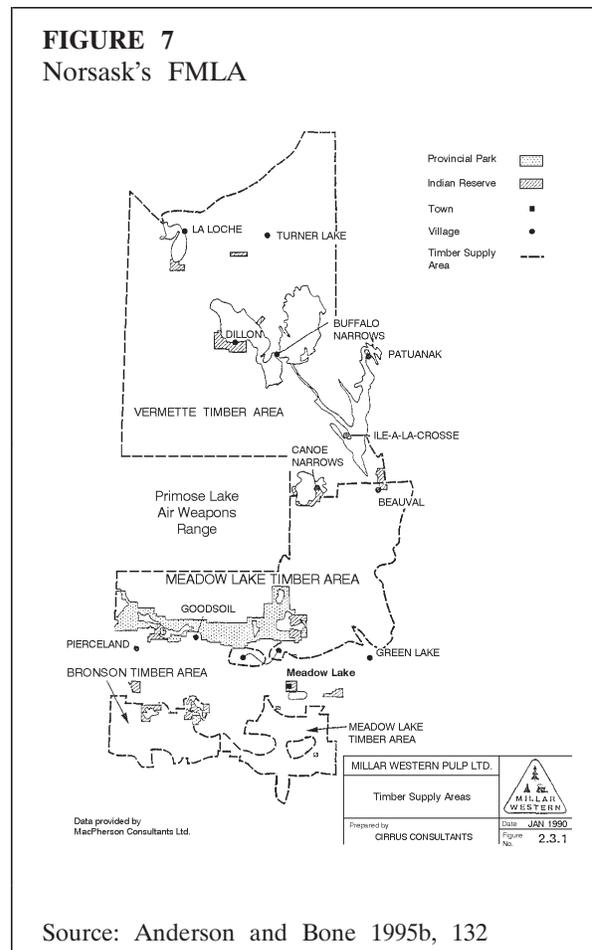
MLTC Forestry Developments

The MLTC’s involvement in the forestry industry began in 1988 when the Chiefs of MLTC First Nations negotiated the purchase of 50% of the Meadow Lake Sawmill from the provincial government. At the time of this sale, the mill had been losing money for a number of years and was virtually shutdown (Price Waterhouse 1994b). The remaining 50% interest in the saw mill was purchased by Techfor Services Ltd., a company wholly owned by the mill employees. The company was renamed Norsask Forest Products Ltd. (Norsask). Norsask’s most valuable asset was (and still is) the Forest Management License Agreement (FMLA) it holds from the

Province of Saskatchewan. This FMLA gives Norsask the harvesting rights (for both softwood and hardwood) and reforestation responsibilities for 3.3 million hectares of Crown Land in the Meadow Lake District (see Figure 7). While its mill only used softwood, the FMLA required that Norsask develop the capacity to use the hardwood (poplar) in the license area within four years or the rights to the poplar stock would be lost (Star Phoenix 1993, A2). In addition, the FMLA required that residents of the license area be given priority for employment and that a co-management process be established involving "complete consultation between the sawmill [Norsask] and northern communities over issues including harvesting, hauling, reforestation, road construction, as well as trapping and fishing" (Price Waterhouse 1994a, 5).

Norsask's rights and responsibilities under the FMLA were central to the MLTC's forestry-based development strategy. They set the stage for the formation of a network of business alliances and joint ventures among the First Nations of the MLTC, between them (through Norsask) and a non-First Nation corporate partner—Millar Western Ltd., and among the non-First Nation residents of the communities in the FMLA area. The key alliance in the network was the joint venture between Norsask Forest Products Ltd. and Millar Western Ltd.

At the time that MLTC was searching for a way to exploit the business and employment opportunities presented by the FMLA, Millar Western Ltd. a privately-owned Alberta corporation wanted to build a 'zero pollution' pulp mill that used poplar instead of softwood as a raw material. The company saw this mill as the cornerstone of its strategic plan for the future. Throughout its market area (particularly in the United States) increasingly rigorous environmental regulations were rendering older paper plants using the chlorine-based bleaching process economically obsolete. For Millar Western, the cost of refitting an old plant to meet new standards compared to the cost of a new chlorine-free plant favoured the latter. However, forest resources suitable to supply a new plant were not available in Alberta. All had already been licensed to other pulp producers. Therefore, the company's owners had to look elsewhere for an assured supply of poplar. They found such a supply just over the provincial border in Saskatchewan in the hands of the MLTC. The potential for a mutually beneficial alliance



in these circumstance was obvious to the leaders of both parties.

Millar Western required access to an assured supply of poplar at a globally competitive price. They had the expertise and capital necessary to develop the pulp mill. Consistent with subcontracting/strategic alliances as elements of flexible production, the company was quite prepared to subcontract the harvesting and reforestation activities to outside organizations while it focussed on its core activity, the production and sale of pulp. Millar Western was willing to accept conditions that served the needs and objectives of the MLTC, so long it received competitively priced feed stock. On their part, the MLTC controlled access to a suitable (to Millar Western) supply of poplar. They needed a use for this hardwood to satisfy the requirements of the FMLA and to realize its inherent employment and business development potential. However, they lacked the capital and expertise to develop this capacity. The leaders of the two

groups negotiated an agreement with terms and conditions intended to satisfy the objectives of both. Figure 8 illustrates the structure that emerged from these negotiations.

Millar Western, along with the Crown Investment Corporation of the Province of Saskatchewan, established a company called Millar Western Pulp Ltd. to build and operate the pulp mill at Meadow Lake. Millar Western owns a controlling interest (51%) in Millar Western Pulp. Millar Western Pulp acquired a 20% interest in Norsask Forest Products (10 % from each of the two original owners Techfor and Norsask). This left the MLTC with a 40 % interest in Norsask. Norsask Forest Products and Millar Western Pulp then established a joint venture company called Mistik Management Ltd. (Mistik means wood in Cree) with each parent holding a 50 % interest. Mistik was assigned the responsibility to manage all forest operations under the terms and conditions of the FMLA. Mistik was not expected to do the actual work but rather to contract to have it done through operating companies. It is through these operating companies that most benefits (employment, business creation and profits) were expected to reach the people of the MLFNs.

In June 1990, the MLTC created its own operating company MLTC Logging and Reforestation Ltd. to realize the benefits from forest operations for the citizens of its member First Nations. Under contract with Mistik, the company provides logs to both mills and undertakes other activities such as road building, log hauling and reforestation. Some individual First Nations, as well as some First Nations individuals, also created operating companies. As well, non-First Nations people (mostly Metis and non-status Indians) living in the 14 northern villages and hamlets of the area also saw participation in forestry as a key to employment and economic development. Though an association of their municipal governments, they created an operating company called Norwest Logging and Reforestation Ltd..

The company [Norwest Logging and Reforestation Ltd.] signed a contract with Mistik "for the provision of logging services starting in 1991/92 (year 1). The contract includes a schedule of annual wood volume allocations which increase from an initial volume of 50,000 m³ to a maximum of 250,000 m³ in year four and thereafter (K. D. Developers 1991, x).

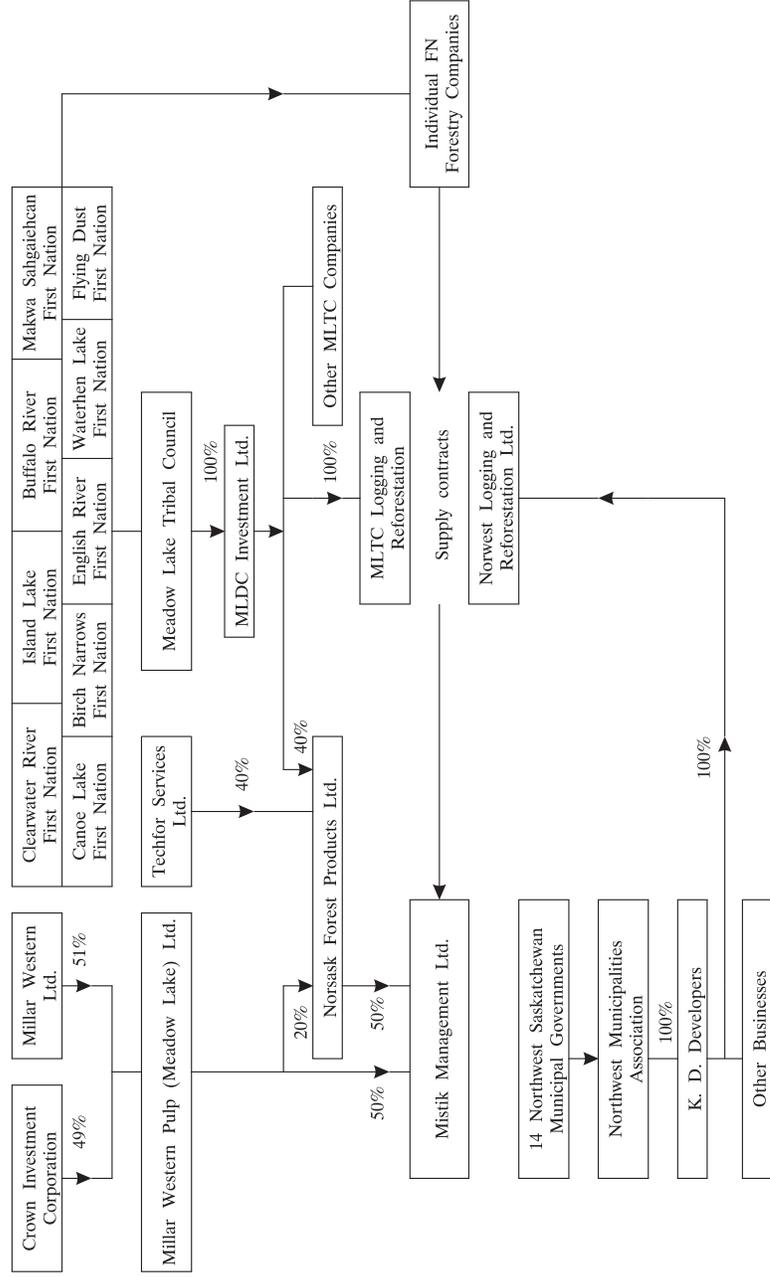
Individuals from these communities also formed companies to participate in forestry activities.

To build the capacity of their people to participate in forestry industry as employees and business persons, the Tribal Council developed and offered two post secondary education programs. One was a diploma program in Integrated Resource Management developed offered in partnership with the Saskatchewan Indian Institute of Technology. The other was a three year university Diploma in Business Administration program in partnership with the Saskatchewan Indian Federated College.

By 1994, the Millar Western Pulp Ltd. mill was fully operational. The total harvest in the FMLA area that year was 1,000,000 m³, up from the 300,000 m³ harvested in 1990. Of the 48 contractors involved in meeting this demand in 1994, MLTC Logging and Reforestation was by far the largest. The company harvested 300,000 m³ in 1994, up from the 50,000 m³ harvested in 1992. This increase in logging and related activities had a significant impact on First Nation employment. MLTC Logging and Reforestation's output in 1994 provided employment for 140 people and placed the company among the top 10% of logging companies in Canada. Norsask Forest Products by the same date was ranked in the top 6% of Canadian saw mills employing 103 people (Price Waterhouse, 1994a). In addition to these 243 direct jobs, according to same Price Waterhouse report these First Nation companies created an additional 730 indirect jobs in the region (most of them since 1993). Employment is expected to remain stable at this level in the future.

Almost all of the 243 direct jobs created by Norsask Forest Products and MLTC Logging and Reforestation are held by members of the First Nations of the MLTC, as are at least 50% or 365 (a very conservative estimate) of the indirect jobs. The sawmill and supporting forest operations were virtually shutdown in 1986 so these are "new jobs" since the 1986 census. Given that only 730 members of the MLTC First Nations reported themselves employed in the 1986 census, the creation of these 600 or more good-paying, permanent jobs for people from the MLFN is a considerable accomplishment. At the same time, these results emphasize the scale of the challenge facing the people of the MLFNs as they struggle are to achieve their 20 year objective of employ-

FIGURE 8
Forestry Industry Structure in the Meadow Lake District



ment parity with the province — 600 jobs created, 2,640 permanent, good-paying jobs to go.

In addition to the jobs created and other spin-off benefits to the region, “during the last three years, the companies [Norsask and MLTC Logging and Reforestation], in aggregate, have paid \$10.7 million in corporate taxes and withheld income taxes on wages” (Price Waterhouse 1994b, 8). The MLTC is justifiably proud of these taxes paid arguing that they represent an excellent return to the Government of Canada on the \$1.3 million in grants that the MLTC received to purchase and modernize Norsask. According to the leaders of the MLTC, these results provide evidence of the benefits to all people in Canada — First Nation and non-First Nation — of a policy of support for First Nations business development by the Federal and Provincial governments. This is an example of the outcome that is anticipated by **The Royal Commission on Aboriginal People**. The thrust of the commission’s conclusions is that additional money — up to \$2 billion more per year for the next 20 years — invested now in capacity building and economic development by Aboriginal people will be returned manifold in the future through (i) reduced government expenditures to deal with the otherwise exploding unemployment and other social costs, and (ii) increased tax revenues.

“Bottom-up” Reaction

While the people of the MLFNs were satisfied with the increase in employment and business activity generated through forestry, many were unhappy with certain operating decisions and actions taken by Mistik Management and MLTC Logging and Reforestation. This is particularly true for certain members of the Canoe Lake First Nation. Much of the logging was occurring on Canoe Lake traditional lands. Concerns centred on two issues. The first was the effect that clear cut logging with mechanical harvesters was having on their land and their ability to continue traditional practices. Second and beyond the specific issue of clear cutting, the people of Canoe Lake felt that they lacked an effective method of influencing the operating decisions taken by Mistik Management and MLTC Logging and Reforestation and that they were not receiving a fair share of the benefits from forestry activities in their area.

By May 13, 1992, dissatisfaction had become so intense that protesters, led by Elders from

the Canoe Lake First Nation, established a blockade on Highway 903, 65 kilometres north of Meadow Lake that halted the operations of MLTC Logging and Reforestation in the area (Windspeaker 1992a, 12). The protesters formed an organization called ‘The Protectors of Mother Earth’. Allan Morin, head of the organization, in describing its members’ demands, said that:

The Elders object to clear cutting and the use of mechanical harvesters. They want control over their own resources, compensation for their people, [and] financial and technical compensation for local people who want to start their own forestry related businesses (Windspeaker 1993b, r2).

It is important to note that the protesters from Canoe Lake were not demanding an end to forestry activities in their area. Rather, they sought to change the terms of their participation in the activity in order to increase the benefits to, and decrease the negative impacts on their community and its people.

Speaking about the blockade on behalf of the MLTC, Vice-Chief Oniell Gladdue “blamed the dispute on a lack of communication. He said many of the concerns will be resolved once the communities get more information” (Windspeaker 1992b, 12). He was speaking about the plans being put in place to incorporate community involvement in the decision-making process. A process had just begun (to be completed by the end of the winter of 1992/93) to establish the community co-management boards required under the terms of the FMLA. Barry Peel, president of Mistik Management, said that these co-management boards would give the people of the communities in the region “a say on issues such as where and how logging should take place, including the size and shape of cuts, location of roads, harvesting methods, reforestation and operating plans” (Star Phoenix 1992b, E1). Peel credited the Canoe Lake blockade with speeding up the introduction of the co-management process.

In late August 1992, while these co-management boards were being introduced, a meeting was held between the Protectors of Mother Earth, Norsask Forest Products, Mistik Management, and the MLTC. At this meeting, all agreed that the proposed co-management boards and process would adequately address the issues underlying the blockade. The Protectors of Mother Earth asked that Norsask and Mistik

stop logging in the disputed area until their co-management board and processes were established. The companies refused citing their responsibilities to the mills and to their employees. The meeting ended without resolving the conflict (Star Phoenix 1992a, A4).

The blockade continued through the winter of 1992/93. Much of this period was marked by legal actions. On December 9, 1992, the provincial government asked the courts to evict the protesters claiming that they were illegally occupying crown land. The protesters countered by filing a complaint with the Saskatchewan Human Rights Commission. According to Cecilia Iron, a spokesperson for the protesters, the complaint alleged that:

The government [Saskatchewan] has repeatedly ignored our rights under the treaties, under the Natural Resources Transfer Agreement, and under the constitution. An agreement [the FMLA] between the government and a local forestry company [Norsask Forest Products] completely ignores Aboriginal rights and licenses to trap, hunt fish for food and harvest wild rice (Windspeaker 1992c, 2).

The Court of Queens Bench ruled on May 12, 1993 that the protesters must remove their blockade within fifteen days unless an appeal was launched. The Elders refused to leave the blockade site and negotiations with Norsask Forest Products resumed (Windspeaker 1993a, 3). On October 12, 1993, a tentative agreement was reached between the protesters and Norsask Forest Products. According to Ray Cariou, chairman of Norsask, the people of the Canoe Lake First Nation, through a co-management board, would have the right to participate in decisions about such things as logging methods, the location of roads, and the accommodation of traplines and other traditional land uses (Windspeaker 1993c, r2).

It is significant that Millar Western remained one step removed from this dispute throughout. The company was neither the target of the protesters nor a negotiator of the settlement. It was able to concentrate on its core activities and leave local and regional issues in the hands of its partners, an outcome entirely consistent with flexible competition and the company's expectations when it entered into its alliance with the MLTC. Instead, the dispute and its resolution involved the people of the region through their own bodies — corporate (Norsask

Forest Products), governmental (MLTC), and 'grass-roots' (the Protectors of the Mother Earth). The issues were identified and a solution found by the people directly affected — a local/regional mode of social regulation in action⁵.

Will this bottom-up mode of social regulation be successful over the long-run? To be judged so, it must simultaneously satisfy the requirements of the mills as they compete in the global economy; the development objectives of the MLTC; the needs and objectives (traditional and modern) of the people of the First Nation and non-First Nation communities of the region; and the requirements of the FMLA. While there are bound to be disagreements among the involved parties in the future and occasional economic difficulties, based on the successful resolution of the Canoe Lake conflict and recent financial and job creation results, prospects for continuing success of this bottom-up mode of social regulation seem promising.

The unfolding of events in forestry, particularly the Canoe Lake protest and its resolution, had significant impacts beyond that sector. The experience resulted in a maturing and refining of the MLTC's economic development mission, objectives, strategies and processes — particularly those relating to consultation, participation and traditional values. This impact is evident in the content of the MLTC's twenty-year development plan **From Vision to Reality** and the process used to prepare it between April 1993 and October 1995.

MLTC Twenty Year Plan

In 1993, the MLTC began the process that culminated in the completion of the MLTC twenty-year development plan — **From Vision to Reality** — in October of 1995. Preparation of the plan over this period involved extensive consultation with Elders and members of the MLFNs. Key aspects of this consultative process included: a meeting the representatives from the nine MLFN in April 1993; a meeting of Elders in January 1994; a survey of the members of the MLFN during 1994; and, in April of 1995, a three day economic development symposium for members of the MLFN.

According to the twenty year plan:

The Meadow Lake First Nations' (MLFN) vision of the future is one of "healthy individuals, families and communities." This state of well being reflects balance

and harmony in the spiritual, physical, emotional and mental aspects of life. Our vision includes self-sufficiency, self-reliance, and self-government. We will have control over our own lives and over decisions that impact our quality of life. We will have hope for the future and for the future of our children (MLTC 1995b, i).

This vision had its birth in April 1993, when members of the MLFN met for three days to discuss "all areas of community and family life and relationships with the environment and each other" (MLTC 1995b, I-6).

The next key step in the development of the twenty year plan occurred in January of 1994 when the Elders of the MLFN met to discuss traditional culture and values.

The Elders were specifically asked about the important values that contributed to healthy individuals, families, and communities in the past. The event was critical to developing the values regarding future economic development planning within the MLTC District (MLTC 1995b, I-7).

Self-sufficiency and self-reliance, sharing, community decision-making, respect for the environment, and the preservation of traditional lifestyles and culture, emerged as key values. The Elders particularly stressed that the key to attaining the vision of "healthy individuals, families and communities" was the replacement of the current destructive dependency on welfare with self-reliance. Typical of the Elders' views, one said:

In the future, hunting, trapping, fishing and gathering will not provide the self-sufficiency that is required. Young people will not live the same as the Elders live. The people cannot go back to the old days. We cannot turn back. We need to look ahead and know where to go next (MLTC 1995b, II-15).

In looking to the future, the Elders concluded that employment opportunities created through economic development were necessary to "allow people to regain self-reliance and self-sufficiency, and increase individual and community pride" (MLTC 1995b, II-3).

As the next step in preparing the plan, over 500 people from the nine First Nations were interviewed. Among other things, respondents were asked to rate the relative importance of maintaining a number of traditional values as

part of the economic development process. Those surveyed overwhelmingly rated the maintenance of the following as very important: obtaining advice on economic development from Elders; getting the approval of MLFN peoples for economic development projects; protecting the environment; sharing the benefits of economic development; developing 'on-reserve' or community employment; and achieving First Nation self-sufficiency and self-reliance.

Those surveyed were also asked the question "Can traditional lifestyles co-exist with modern enterprises or businesses?" Seventy-five percent of the respondents answered yes to this question. Typical comments from those answering yes included:

- The two types of lifestyle already do and its working
- We have to work with Native and non-Native lifestyles.
- Strong family relationships are needed.
- Mixing the two types of lifestyles requires honesty, cooperation and communication.
- It's up to us to make it work (MLTC 1995b, 9).

The concerns expressed by those who felt the two couldn't and/or shouldn't be mixed included:

- Modern lifestyles overpower traditional lifestyles.
- Our culture is being lost.
- People can't live both ways.
- The two lifestyles conflict (MLTC 1995b, 9).

Respondents were also asked to identify the obstacles to achieving economic development goals, and the roles and responsibilities of individuals, families, First Nations, the Tribal Council, the federal and provincial government, and the private sector in overcoming these obstacles. Those surveyed identified the following as the primary barriers to development:

- accessible education/job training
- alcohol-free and drug free society
- equality and fairness in job distribution
- availability of permanent jobs
- community members working together supportively
- self-sufficiency and self-reliance versus welfare
- funding and financial programs for small business (MLTC 1995b, 15).

The key roles and responsibilities identified for individuals in overcoming these barriers included: having positive attitudes and motivation, striving for self-sufficiency, obtaining education and training, and starting small businesses. Those identified for the family included the ones for individuals as well as: providing healthy family lifestyles, providing support (moral, emotional, financial), and preserving language, culture and traditions.

The roles and responsibilities of each First Nation in overcoming these barriers were felt to include:

1. providing effective and responsible leadership with a particular focus on ensuring community based long-term economic development intended to provide members a good standard of living.
2. providing and encouraging education, training and wellness programs.
3. encouraging self-reliance through business planning and marketing assistance, offering workshops and training programs, providing information on funding and providing loans for small business.
4. direct involvement in economic development through business development initiatives as individual Nations and in partnerships with others.
5. protecting the environment.

Expectations relating to the role and responsibilities of the Tribal Council included those listed for individual First Nations. In addition, the Tribal Council was expected to undertake larger development initiatives often in joint venture with outside partners and to provide support to the First Nations and their members as they pursue their own initiatives.

The federal and provincial governments' roles and responsibilities were felt to include: funding for education, assistance to start large businesses, providing grants and loans to businesses, providing marketing and other advice and support, and developing long-term economic development strategies. The expectations of the private sector included: providing financing (banks and credit unions), serving as mentors, providing business planning assistance, providing employment, and participating in joint ventures.

The initial meeting with representatives of the First Nations, the consultation with Elders, and the survey of community members resulted in the formation of a widely held vision and a gen-

eral consensus as to the objective of economic development—"the achievement of employment and income parity with the Province of Saskatchewan" (MLTC 1995b, ix). Further, it was clearly established that this was to be done in a manner consistent with important traditional values, particularly those of self-reliance and self-sufficiency, protection of the environment, sharing of economic benefits, community decision-making and respect for the wisdom of the Elders.

In April of 1995, a three day economic development symposium was held to provide members of the MLFN with information about progress on the plan to date and to receive additional input. Approximately 150 members of the nine MLFNs participated in workshops that identified current economic development activities, opportunities for future economic development, and barriers to economic development for the MLTC in general and, most importantly, from the perspective of each member First Nation.

Consistent with survey respondents' views as to responsibilities, those at the seminar endorsed the strategy that called for the MLTC to establish the larger anchor business and individual First Nations and their members to create small and medium businesses associated with these anchors. Participants reconfirmed the importance of the key traditional values including: consultation with Elders, local decision-making, sharing of economic benefits and care of the environment. They also stressed the importance of continued human and financial capacity building to the creation of viable businesses and the development of a workforce capable of taking advantage of the employment opportunities such businesses will create.

Following the economic development symposium, the final twenty-year development plan was drafted. Building on the strategy of anchor businesses, the plan identifies four key sectors as the main pillars of the economic development strategy. They are tourism, mining, forestry, and traditional activities including hunting, fishing, trapping, and agriculture/gathering. The plan goes on to evaluate each of these sectors in detail (at the Tribal Council and First Nation levels) focussing on opportunities and the barriers to realizing these opportunities. The plan establishes short, medium and long-term business and job creation objectives for the four key sectors as well as for those sectors identified as secondary (retail/service, construction/trades, oil and

gas, environmental, management, professional/scientific, and public administration).

From Visions to Reality forms the foundation for the business development plans of the MLFNs as they strive to realize their vision over the next twenty years. English River First Nation's purchase of Tron Power provides an example of a First Nation building on this foundation.

In January 1997, the English River First Nation announced the purchase of Tron Power, a construction and janitorial company servicing northern mines and businesses. The company is also involved in Cameco's gold mine in Kyrgyzstan. In addition to its northern international operations, Tron has industrial maintenance contracts in Saskatoon. This added to the company's appeal in that the investment will also provide employment opportunities for English River citizens who chose to live in that city rather than 'on Reserve'.

According to English River's press release, the First Nation and Tron Power had been involved in successful joint ventures since 1995. Before that they were partners in an employment equity plan intended to increase Aboriginal employment at the mines in northern Saskatchewan. In summarizing these circumstances, Chief Archie Campbell said:

Many English River citizens already work for Tron Power, and our joint venture has given First Nations people the opportunity to become supervisors, journeymen welders, electricians, carpenters and pipe fitters. The purchase of the company will include First Nations employment in skilled areas, including management (English River First Nation 1997, 3).

According to Frank Lai, Economic Development Director for English River, financing the purchase was made possible by the First Nation's treaty land entitlement settlement⁶. Frank also commented (as does the press release) on the fact that the recently announced federal government's **Procurement Strategy for Aboriginal Businesses** figured prominently in the decision to purchase the company. According to the press release:

Tron will be an instrument for targeting other construction and janitorial projects under the "Set Aside Program" of the Federal Procurement Strategy announced last year by Minister Irwin (English River First Nation 1997, 4).

CONCLUDING COMMENTS

The forestry development activities of the Meadow Lake Tribal Council provide an excellent example of the role that can be played by business alliances in First Nations economic development. The forestry activities of the MLTC consist of a number of joint ventures and alliances. First, the MLTC itself is an alliance of nine First Nations. In fact, when formed in 1981 it was called the Meadow Lake District Chiefs Joint Venture. The foundation of the forestry activities and the holder of the critical asset (the FMLA) Norsask Forest Products was formed as a joint venture between the MLTC and Techfor. The impetus for growth in the forestry industry came from two interdependent alliances. One was between Millar Western and Crown Investments to build the pulp mill. The other was the joint venture between Norsask and Millar-Western to create Mistik Management to manage the forest resource under the terms of the FMLA. Finally, the benefits to the people of the region (particularly employment) have been delivered through arrangements (although not joint ventures) between Mistik Management and various operating companies including MLTC Logging and Reforestation (a joint venture of the MLFN) and Norwest Logging and Reforestation (a joint venture of the 14 northern villages and hamlets). Results to date indicate that this system of alliances has been successful from the perspective of Millar Western and the MLTC and its people. What does this successful system of alliances say about the five factors identified at the beginning of Section 3?

Clearly the FMLA controlled by the MLTC is the key to the entire web of alliances. It made it possible for the MLTC to attract willing partners and establish arrangements meeting their (MLTC) objectives (Factor 1). The establishment of a zero-polluting hardwood pulp plant was central to Millar Western's long-term strategy. To successfully implement this strategy, it was essential that the company acquire a source of poplar. The MLTC controlled one of a very few sufficiently large uncommitted supplies of this resource (Factor 2). Consistent with flexible competition, Millar Western was prepared to enter into a beneficial long-term alliance with a key supplier that met the needs of both (Factor 3). The development goals and strategies of the MLTC required that they establish large anchor businesses in key sectors — particularly forestry.

Joint ventures were considered the best vehicle for establishing these ventures. (Factor 4). The financial and employment outcomes of the forestry development process were consistent with expectations and the project was successful by those criteria. The methods adopted to achieve this success were not considered acceptable by some (the Canoe Lake protest). However, within the web of alliances a means (co-management boards and more generally the twenty-year plan process and content) was found to address the problem in a manner consistent with community goals and standards (Factor 5).

Beyond validating the five factors, the MLTC forestry activities (and other business activities) and the process and content of the twenty year plan are consistent with the characteristics of First Nations economic development described in Section 2. The approach has been national and collective with many of the businesses owned by the Tribal Council or by individual First Nations. The activities take place on traditional lands. The purpose is to attain economic self-sufficiency in support of self-government and improve the socioeconomic conditions. The process adopted involves participation in the global economy through the creation of profitable businesses, often in partnership with outside companies. Business ownership has provided the Indian people greater control over the activities on their land. Culture and traditional values are incorporated in the structure (ownership by the First Nation(s) not private Indian citizens) and methods of operation (increasing sensitivity to traditional land-uses and growing use of consensus-based decision-making processes).

It also clear that the Tribal Council is learning from experience. In an evolutionary way, the process is becoming more consultative, more strongly centred on traditional practices, more nationally oriented (from the perspective of the First Nations), and more strongly focussed on business development and successful competition in the global economy.

NOTES

1. See Anderson 1997 for an in-depth discussion of the evolving relationship between First Nations and non-First Nation business corporations.
2. These conclusions flow from research conducted and results reported previously. See Anderson

and Bone 1995a&b, Anderson 1995 and Anderson 1997.

3. See Anderson and Bone 1995a and Anderson 1995 for a discussion the 'contingency perspective on economic development' that is emerging among Aboriginal peoples in Canada developing peoples around the world.
4. The far north of the MLTC District is drained by the Clearwater River, part of the Athabaska system, however none of the reserves of the nine MLTC Nations are located that far north, nor are any currently economically viable timber blocks.
5. See Anderson and Bone 1995a and Anderson 1995 for a discussion of modes of social regulation in the context of a "contingency perspective on First Nations' economic development."
6. Treaty rights flow from agreements between the British Crown and later the Canadian government and various aboriginal groups negotiated throughout the entire period of British colonization of what is now Canada. Commonly, individual First Nations either did not receive all the land their were entitled to under the terms of their particular treaty or lost a portion of the land reserved from them at a later date. Across the county, various a aboriginal groups a laying claim to the land they consider theirs by right of treaty. For example, 28 First Nations in the province of Saskatchewan (English River among them) recently signed an agreement giving them \$527,000,000 in compensation for land that they should have received under treaty but did not. In addition, treaty making between the Government of Canada and aboriginal people in areas not yet covered by treaty is continues today. Modern treaties have already been negotiated in the Northwest Territories (e.g. the Inuvialuit and Nunavut Agreements) and in the province of British Columbia (e.g. the Nis'ga Agreement). To provide a sense of the size of these settlements, it is estimated the final cost of all the treaties under negotiation in the province of British Columbia will exceed \$10,000,000,000.

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