

CANDO Statement on the Economic Development Recommendations of the Royal Commission on Aboriginal Peoples

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David Newhouse

and

Corinne Mount Pleasant-Jetté

INTRODUCTION

I am pleased to have this opportunity to speak today about the Royal Commission on Aboriginal Peoples and its recommendations for the development of Aboriginal economies. It has now been almost a year since the Commission tabled its report. We believe this is sufficient time to read the recommendations, reflect upon them and prepare the action that one takes.

Corporate leaders prefer action to reflection. They are ready to take risks, ready to act on a recommendation that is well thought out. The RCAP recommendations are, in our view, well thought out. Success in the competitive environment of industry and finance requires not only the capacity for sound judgement but also the capacity to recognize the importance of timing. At this juncture, one year following the release of the RCAP report, we believe that the timing is right. RCAP presented us with a window of opportunity and recipe for constructive change. It

is our view that we should do more than look through the window.

WHAT DID THE RCAP SAY?

The Commission's report, in our view, very clearly points to the need for change in the relationship between Aboriginal Peoples and the people of Canada and their government. The old way, based upon the philosophy of the century old Indian Act, is no longer tenable. It is simply not acceptable for other Canadians to continue to have the power to make basic decisions about the lives of Aboriginal people. The Commission's work clearly shows what happens to a people when the power to decide their own future is taken from them. The legacy of the policy of colonialism, marginalization and assimilation is clear. We are now dealing with the effects of this century long racist policy. The story is one that should be familiar to each and everyone in this room.

David Newhouse, Chair, Department of Native Studies, Trent University.

Corinne Mount Pleasant-Jetté, Director, Native Access to Engineering, Faculty of Engineering and Computer Science, Concordia University

The Commission recommends a new political relationship between Aboriginal peoples and Canada. We agree that this is needed and urgently needed. In our view, the move toward self government should occur with as much speed as possible. We also agree that the logical basis of this move should be reconstituted Aboriginal Nations based upon traditional cultural groupings. We also agree that the governments of these Nations should be constituted as a distinct order of government in Canada. We believe that the Canadian federation is strong enough and Canadians generous and thoughtful enough to accept these recommendations and begin to make these changes. The country which was built on our land now must take the necessary steps to ensure that we are accorded a place of dignity and respect within it.

While we believe that a new political relationship is necessary and inevitable, we also believe that there must now be a more equitable sharing of the resources of this country. Aboriginal interests in the natural resources of this country have been, in many places, erased and ignored. We agree with the Royal Commission that treaties should be the basis of this new sharing, either through the renewal of the current treaties or the signing of new treaties that include land and other natural resources along with the powers to control their use.

WHAT HAPPENED TO ABORIGINAL PEOPLES OVER THE LAST TWO HUNDRED YEARS?

Over the last two centuries, as the market economy took hold around them, many Aboriginal people were prevented from meaningful participation in it, either as business people or as labourers. Provisions of the 1876 Indian Act effectively kept Indian people from participating in the most basic mechanism of capitalism: the capital market. Access to capital through credit for Indian people residing on reserves was denied. Access to technology that would have enabled Indian people to compete more effectively in farming in the West was denied. Access to sufficient land for market farming was denied. Often the provisions of the treaties were simply insufficient to allow Indian people to gain any competitive advantage in agriculture or natural resource extraction. Aboriginal peoples were often relocated far from other Canadians which

made it difficult for Aboriginal people to gain a foothold in markets. And often, mainstream Canadians simply did not want to do business with Indians.

Aboriginal people have always had a strongly held value of self-sufficiency: we have always wanted to take care of ourselves. We have always acted to ensure that we can do this. As you can see there have been many ways in which they have prevented us from taking care of ourselves. Prior to contact with European newcomers, Aboriginal people were self-sufficient. Trade and commerce played an important part in the lives of many tribal communities. It was not until the imposition of foreign values that these practices were curtailed. Our ancestral leaders conducted mutually beneficial trade relationships, supported whole communities, negotiated among themselves, and laid the foundations for productive, fulfilling societies before their skills and practices were cut short by invading strangers.

The records of the treaty negotiations in the late 19th century are filled with the testimony of Indian leaders who knew of the world that was being built around them and who actively attempted to obtain the tools necessary to survive and thrive in the emerging market economy.

We read the Council minutes of the traditional chiefs of the Iroquois confederacy and hear the chiefs asking, repeatedly, the Indian agents about the value of their investments and the size of their bank accounts in Ottawa. We see them asking to use their own money to establish loan funds for small businesses instead of being used exclusively for social welfare. We then see a dramatic change in the economy of Six Nations when the Chiefs are removed from power in 1924 and replaced by a Band Councillor under the tutelage of Ottawa. We do not see much growth until the 1970's, after the galvanizing action of the White Paper.

Farther back in history, in the records of the fur-trade we read of constant bargaining over the price of furs by Aboriginal peoples and the Hudson Bay Company. The Indians were always asking for more than the HBC was willing to pay. The HBC was forced to put into place a rather complicated system to decide the value of beaver pelts. And there was haggling over this system. Indians understood extremely well how the system worked and for whose advantage it was built. They usually got their prices.

WHAT IS HAPPENING NOW?

There has been a belief, prevalent among all people, Aboriginal and non-Aboriginal alike, that economic activity and Aboriginal people were not compatible. There was a belief that we could not do business, that we could not start or run businesses, that the pursuit of profit was somehow not consistent with traditional Aboriginal values. We have never believed that these things are true.

We have seen an explosion of Aboriginal economic activity over the past few years. There are now more than 10,000 businesses owned by Aboriginal people. This is up from an estimated few hundred in the late 1960's. Despite this phenomenal growth, much more needs to be done over the next decade if there is to be any change in the economic circumstances of Aboriginal people. The Commission reports that an estimated 300,000 jobs need to be created over fifteen year period 1991–2016 to absorb those Aboriginal people entering the labour force. This level of employment development will just bring Aboriginal employment to the Canadian level. We all know that the level of employment in Canada is not high enough and so the RCAP approach will only increase employment levels but still leave us with an unacceptably high level of unemployment.

Among the general Canadian population, and probably in this room as well, several perceptions continue to exist today. Perceptions that vary from Canadians who believe that Aboriginal people are a drain on the economy, to those who wrongly believe that Aboriginal people in Canada are somehow beneficiaries of large sums of 'unearned' income. These Canadians would say that Aboriginal peoples in Canada receive constant 'handouts' in medical and education benefits and social assistance. Many still believe that Aboriginal people do not pay a cent of taxes. Many believe that Aboriginal people do not want to work, that they are lazy and accustomed to living off the taxpayer of this country. This is simply not true. Most Aboriginal people want to be gainfully employed, to take care of themselves and to pay their own way.

The fact, gentlemen and ladies, is that most Aboriginal people who are gainfully employed off reserve do contribute to Canada's tax base, through income taxes, provincial sales taxes and the GST, and also municipal land taxes, education taxes. The Indian Taxation Advisory

Board and the Canadian Centre for Aboriginal-Municipal Relations report that Aboriginal people of Canada pay millions of dollars in taxes throughout the country. It is simply not true that Aboriginal people enjoy a tax-free existence in Canada.

It is true that there are billions spent on Aboriginal peoples. Much of this has been spent on social welfare programs. The hundreds of millions of dollars that are funnelled through Aboriginal communities are for the most part spent in towns and cities off Aboriginal territory. Economic studies performed for the RCAP described these economies as "bungee economies": quickly in and even more quickly out. These expenditures have benefited those in areas surrounding Aboriginal communities as well if not more. These government expenditures keep many small businesses in profits.

False perceptions and misconceptions do not help to improve the situation nor are they a good basis for action. As Corporate executives, you want to ensure that you have good information as the basis for your decisions. What will help is an effort to understand the situation and a concerted effort by all segments of the Canadian economy to take the action necessary to make fundamental changes.

If Aboriginal people are to lower chronically high unemployment rates, increase purchasing power, participate more fully in the Canadian labour market and take charge of the economic development of their communities, then you must put pressure on governments to implement concrete changes. You must start today. These things can be accomplished. CANDO has seen clear and unmitigated evidence that the capacity exists within Aboriginal communities to shape their own destiny.

I want to give you a few examples of this capacity that is developing within our communities. Each year CANDO, at its annual conference gives out an award to the individual or organization or business which has made the greatest contribution to the development of the Aboriginal economy. I would like to use, as examples of the excellent work that is taking place within our communities, the nominees for the 1997 award.

1. The Gitksan and Wet'suwet'en Economic Development Corporation have aided in the start-up of 94 First Nations businesses, partnerships with government, mainstream

- enterprises and other First Nations. They also offer a Youth in Business program in local high schools.
2. The Kitsaki Development Corporation has a twenty-year history in economic development. They have established 10 new ventures in trucking, catering, food processing, venture kayaks, auto parts and bingo. They have developed and started mentor ship programs for local youth and business people, internship programs for youth and school to work transition programs.
 3. Paskwayak Business Development Corporation in Manitoba. This corporation covers eight First Nations-owned and operated businesses which employ 225 members. They have done significant work in education and business development, including the construction of the sixty room Kikiwak Inn located in Northern Manitoba. Paskwayak also devotes significant effort toward youth development.
 4. Chief Louis Stevenson, Peguis First Nation. Under his charismatic leadership, the Peguis First Nation has undergone dramatic change. Since he became Chief in 1981, employment levels have risen by 30% and the number of businesses in this small community has risen from five to fifty-one. In 1995, Chief Peguis received a National Aboriginal Achievement Award for 'Outstanding Community Development.'

As you can see, there is excellent work occurring within Aboriginal communities. The capacity to develop our economy is present and growing. There is now a network of Aboriginal Capital Corporations which help Aboriginal businesses access capital, a network of economic development corporations to foster and support development, business support services of many different types. Now a First Nations Bank, under the chair of Mr. Keith Martel, the first Saskatchewan Indian to receive a C.A. designation. There are a growing number of Aboriginal people who are lawyers and holders of business degrees. There are also 40,000 Aboriginal youth in colleges and universities representing an incredible intellectual capital. We are poised to take over the reins of our development.

I hope that you can see the proof of our potential to be productive contributors to the Canadian economy and to develop the economies of our communities exists across the coun-

try. We have seen it first hand. Multimedia communications companies in Ontario, high-tech entrepreneurs in Alberta, development corporations in British Columbia, export manufacturers in Quebec and hundreds of other success stories from micro-businesses to highly successful fashion-design companies are leading the way. But their futures rely, largely, on the capacity of others to follow in their footsteps.

I believe what we are seeing is healthy and bodes well for the future. We are seeing people take charge of their lives. We are seeing people participating very effectively in the Canadian economy. We are seeing people begin to raise their heads in dignity and respect after a century of disempowerment and tutelage. We are seeing innovation, creativity, hard work, diligence and perseverance.

WHAT CAN YOU DO?

A keen sense of timing and a strong measure of good judgement on your part as the leaders of corporate Canada have brought you here today. We believe that your interests will be served as well if the Aboriginal population of the country has the opportunity to experience an increased standard of living. The development of Aboriginal peoples' economies provides new markets, new consumers with growing incomes and new business partners.

The research of Aboriginal Business Canada shows that Aboriginal businesses, when started by women, have a higher chance of being here five years down the road than those started by their mainstream male counterparts. No group within Canada offers more potential to develop and maintain the small and medium business sector of the Canadian economy than Aboriginal people. No group within Canada is more dedicated to their development than Aboriginal people. No group within Canada has displayed more determination and spirit in changing their place in Canada than Aboriginal people.

It is this spirit that we want to nurture. We want somehow to create the conditions under which this creativity, this perseverance, this desire to do things for ourselves is supported and encouraged to grow.

We believe that the economic development recommendations of the Royal Commission will encourage and support this new spirit. The nine steps outlined by Professor Fred Wien in his paper are the foundation of this support. The

recommendations put control back into the hands of Aboriginal people.

Long term development agreements allow Aboriginal nations and communities to choose their own development path and give them a base of resources to start to follow it. The rebuilding of economic institutions in Aboriginal nations and communities provides the mechanisms to support this development and enables governments to guide it. Development requires a concerted and co-ordinated effort of many parts of society.

It is our position that the government of Canada should adopt the economic development recommendations of the Royal Commission on Aboriginal Peoples. However, that will not be sufficient. It will also take some action by those in this room. As you can see, Aboriginal communities across the country are already working on the development of their economies and their futures.

Your support of this effort is critical. To derive the benefits of increased volumes in your stores and operations, to increase investment levels in your banks, and to make significant improvements in your bottom line results, our people must experience sustained levels of economic activity. Heightened purchasing power for this segment of the Canadian population will create a win/win situation for all of us. You will see the spinoffs from improved Aboriginal economies. Heightened consumer spending resulting from improved economic development will translate into increased margins in all geographic regions and in all industrial sectors.

We have learned that development of our economies is not a task that we can undertake ourselves. Our economies are interwoven with yours in many ways. Your support and involvement are important and necessary. I urge you to write to the Minister of Indian Affairs and Northern Development, the Honourable Jane Stewart. Urge her to adopt the economic recommendations of the Royal Commission on Aboriginal peoples.

Then turn to your colleagues and ask: what can you do to help create a place of dignity and respect for Aboriginal peoples in this country? What can you do to help develop Aboriginal peoples' economies? Buy from an Aboriginal supplier. Help a small Aboriginal business get started. Start an internship program to hire Aboriginal people. Support Aboriginal educational efforts.

These suggestions are the first steps you can take when you return to your offices this afternoon. I encourage each of you to extend your support through new and creative ways. The talents and skills that have produced your own success stories are needed throughout Aboriginal communities across this country.

Call your local business school or an Aboriginal organization. It could lead you to Aboriginal students or entrepreneurs who could benefit from the advice and guidance of a mentor. An invitation to a group of Aboriginal young people could lead to a talented pool of summer employees who need exposure to corporate environments. Support colleges and universities where Aboriginal students are pursuing post-secondary professional programs. Help establish programs in high schools to encourage Aboriginal children to stay in school. Encourage your employees to volunteer their time in helping Aboriginal primary school children start junior achievement programs. Encourage excellence and achievement for Aboriginal students through scholarships and bursaries.

The Council for the Advancement of Native Development Officers is an organization dedicated to the rebuilding and strengthening of Aboriginal economies. It consists of approximately 350 economic development officers from communities all across Canada. It also has approximately fifty corporate partners who work with us in this daunting task. These partners are involved in some form or other with Aboriginal businesses. All are making an excellent contribution to the development of Aboriginal economies.

It recently announced the first Aboriginal certification program for economic development officers in North America. This work has been the result of the efforts of CANDO's educational partners: seven colleges and universities across Canada who offer some form of education directed at Aboriginal economic development. We believe that this initiative, over time, will ensure that those who are working with us have a common understanding of the tasks and the skills to perform them.

CANDO's efforts as an organization are directed toward those on the front lines of economic development: the economic development officers. It provides support, advice, training and information to help them do their jobs. We hope that you can become involved in our work. The Royal Commission on Aboriginal People's is the most expensive inquiry ever in the history of

Canada. It conducted its work in a spirit of optimism and believed that real and meaningful change is possible. It believed that Canadians are generous and desirous of a new relationship with Aboriginal peoples.

The direction that the Royal Commission laid out is, in our view, the correct path to fol-

low to create economic and social justice for Aboriginal peoples. The work that follows from the Commission's recommendation is important work for Canada and for Aboriginal people. It is the work of a generation and it is the work of all Canadians.