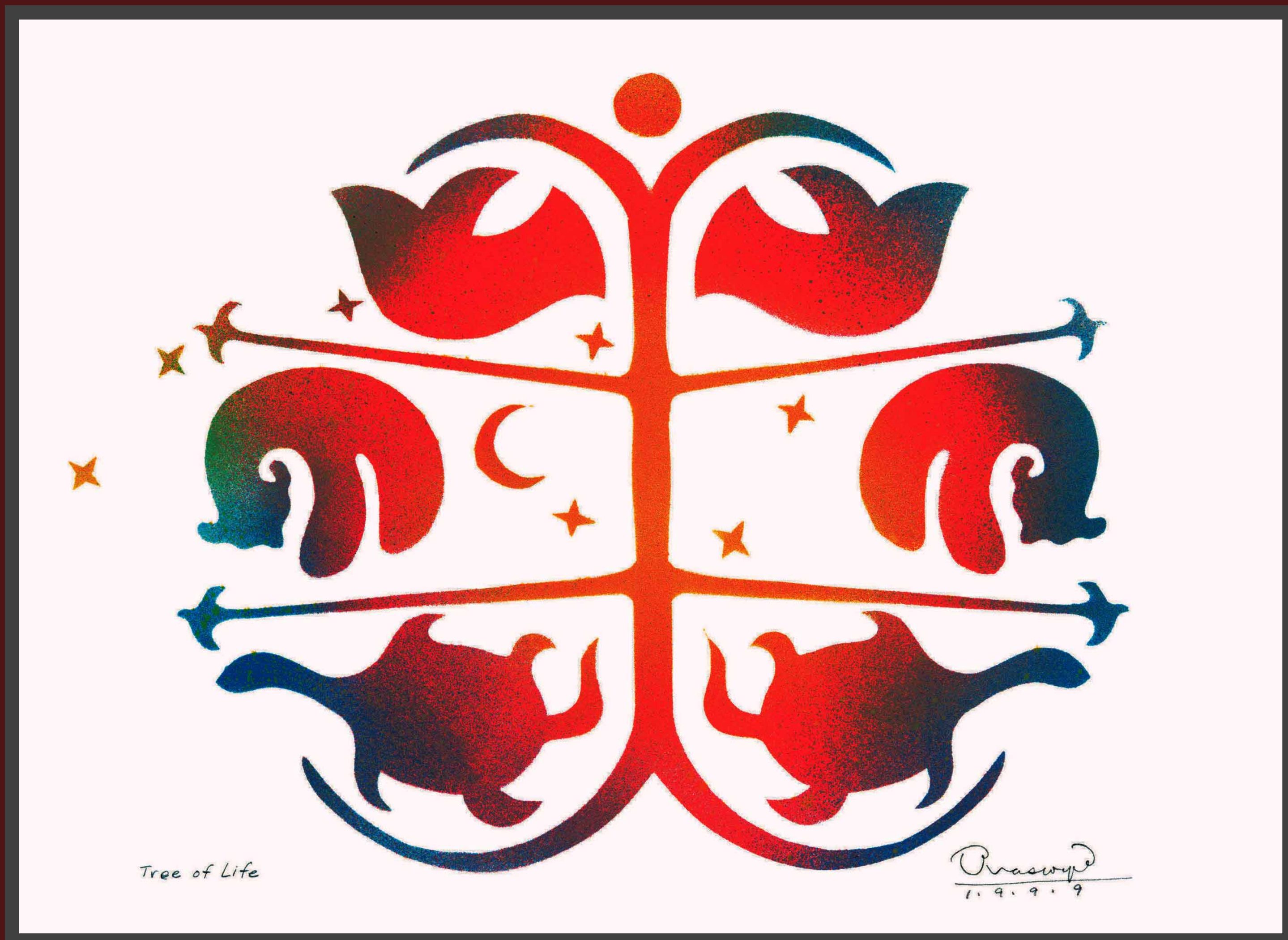
Journal of

ABORIGINAL ECONOMIC DEVELOPMENT

Volume 1, Number 1



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Journal of Aboriginal Economic Development

Volume 1, Number 1

Captus Press

The Journal of Aboriginal Economic Development is the first journal devoted exclusively to issues and practices in the field of economic development and Aboriginal peoples' communities. The journal, published jointly by Captus Press and CANDO (Council for the Advancement of Native Development Officers), offers articles that are of interest to those who teach and those who work as officers in the field.

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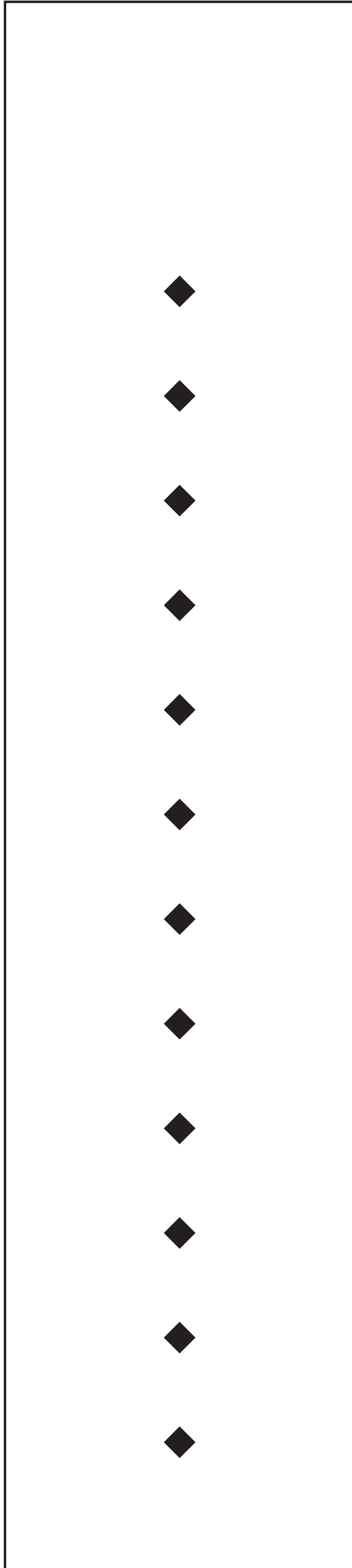
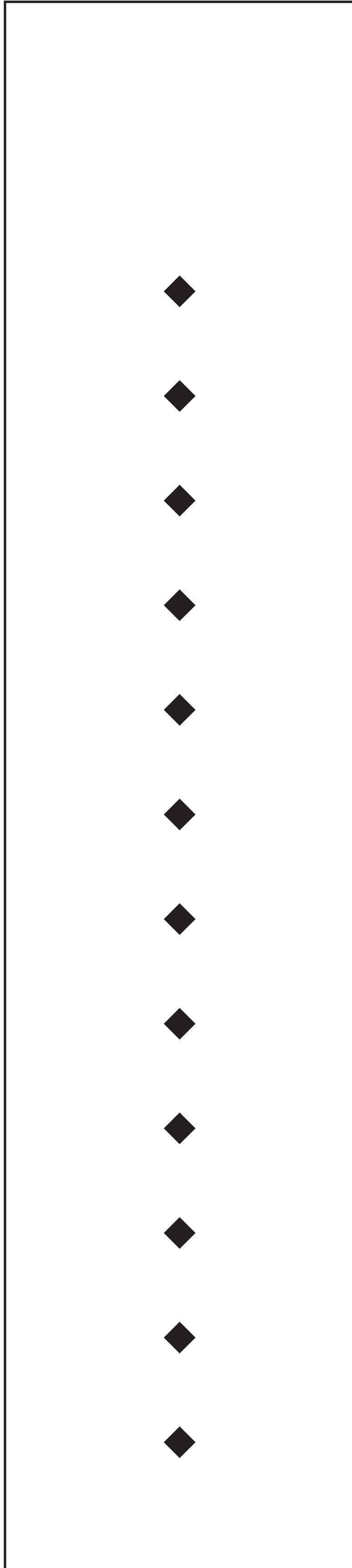


The Artist

The Tree of Life in Iroquois culture is a central theme of creation. It represents wisdom: in seeking wisdom of life, the Sky Woman of Iroquois culture examined the roots of the Tree and unlocked the door between the Spirit and this world. The Tree of Life also represents equality; in Aboriginal cultures, people and all of creation are equal parts.

Simon Brascoupé, Algonquin and Mohawk (1956–) is a member of Kitigan Zibi Anishinabeg (formerly River Desert Band), Maniwake, Quebec. Simon is a published author of a number of books and articles, and his art is represented in the Smithsonian Institute, Washington D.C., the Canadian Museum of Civilization, and many corporate collections.

Simon has sketched and painted from an early age. He learned many of the traditions and stories reflected in his art from his maternal grandmother. Using the traditional pochoir (stencil) method, which goes back thousands of years, bright colours and inks are applied through his paper stencils. This direct technique is capable of producing vivid colours and images, and allows the artist room to vary images slightly or dramatically from one print to another.



Editor's Comments

Welcome to the first issue of the new *Journal of Aboriginal Economic Development.* We have designed this journal to be of interest to practitioners and researchers as well as those who are teaching in the field. It is our intent to bring you articles from a wide variety of people who are working in this area to show you the range of activity and thought that is underway within Aboriginal communities.

The development of Aboriginal economies is an important step that requires thoughtful action. Many are saying that increased economic activity and the resultant wealth is one of the fundamental keys to the rebuilding of Aboriginal governments and the development of Aboriginal peoples' communities. Such an important activity deserves a close examination.

Each issue will be divided into 4 sections: *Learning from experience* will focus on the experiences and lessons from those who are working on a daily basis. Knowledge gained from experience serves as an effective complement to that based upon research. *Lessons from research* is intended to report on current research underway and to stimulate your own thinking about the work that you do. *Book Reviews* reviews the latest works on economic development. And finally, *The Royal Commission on Aboriginal Peoples* explores, examines and analyses the report and research of the Royal Commission on Aboriginal Peoples.

The journal will come out twice a year: a fall/winter issue and a spring/summer issue. We hope that you will find it interesting and provocative.

David R. Newhouse
General Editor

Best Practices

Learning from Experience

Editor's Introduction

David Newhouse

We learn from the experiences of others. The *Best Practises* section is intended to highlight the practises that others have found effective, to report and analyse why and how things work in practise and to serve as a source of ideas for those engaged in the complex day to day development work within Aboriginal communities. Once a year, we intend to highlight those who have been nominated for CANDO economic development awards in the belief that their experiences illuminate some of the best practises in the economic development community.

In this first issue, we talk with Keith Martel, Chair of the Board of Directors of the First Nations Bank of Canada about the role of the Bank in economic development. We also highlight the 1997 CANDO economic development award nominees.

We invite you to send us your stories of what works, what doesn't and why.

FIRST NATIONS BANK OF CANADA
Interview with Mr. Keith Martell Chair of the Board of Directors

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Kelly J. Lendsay

INTRODUCTION

On December 9, 1996, the Federation of Saskatchewan Indian Nations (FSIN) and TD Bank officially launched the First Nations Bank of Canada. The First Nations Bank of Canada is a schedule II chartered bank that serves Aboriginal and non-Aboriginal customers throughout Canada. It is the first such bank of its kind in North America, conceived, packaged and developed by Aboriginal People for Aboriginal People.

Former Chief Blaine Favel, FSIN stated at the grand opening "the bank is one of many important steps towards Aboriginal people's economic self sufficiency and political self determination ... the Indian economy alone in Canada represents billions of dollars and we are aggressively seeking customers for the First Nations Bank."

Mr. Keith Martell is the Chair of the Board of Directors of the First Nations Bank of Canada. A member of the Waterhen Lake First Nation, Keith completed his Commerce degree at the University of Saskatchewan, obtained his CA designation and worked with the chartered accounting firm KPMG for 10 years before joining FSIN in 1995.

Kelly J. Lendsay, M.B.A. is the Director of Aboriginal Business Programs — Scotiabank Directorship at the College of Commerce, University of Saskatchewan. He is a Director and Co-Chair of the Education Committee for CANDO.

How Was the Concept of a First Nations Bank Conceived?

The Saskatchewan Indian Equity Foundation (SIEF), established by the FSIN in 1982, was the first Aboriginal capital corporation in Canada. During the first 10 years of operations, SIEF issued loans of over $30 million and had achieved a loan loss ratio of less than 1% by 1995. Beginning in 1993, SIEF saw a need to grow to meet the growing needs of its customers, the First Nation businesses in Saskatchewan. There was a demand to meet the growing business and personal financial services requirements.

SIEF tendered the opportunity to a number of major financial institutions to seek cooperation for the development of a new full service chartered bank. Two proposals from institutions were accepted and after due diligence was completed, the Toronto Dominion Bank was selected as a strategic partner for this initiative.

How Is the Ownership of the Bank Structured?

The First Nations Bank of Canada (FNBC) became a reality because of the strategic alliance between the First Nations and an existing chartered bank. The structure of the bank reflects the strengths of each of the partners and the ultimate intentions for FNBC to be owned, managed and staffed by the First Nations.

FNBC was chartered under the Bank Act proving to the regulators that the Bank would have sufficient capital, management expertise and systems to service our customers and properly manage their deposits.

There are three classes of shares. The FSIN and SIEF have invested equity of $2 million in 100% of the common and Class A non-voting preferred shares. The TD Bank has invested $8 million in Class B Voting Preferred.

Ownership of common shares is restricted to persons of Aboriginal ancestry, including organizations, corporations or other entities that the board determines are substantially controlled by Aboriginal people. Class A shares shadow the common shares and they are fully convertible to common shares after control is assumed from the TD Bank. Class B ownership is restricted to TD Bank. The shares of TD can be purchased at any time. TD Bank must be below a 10% voting interest and share value investment before the end of 10 years.

How Is the Board Structured?

It was important to ensure that the management of FNBC have sufficient experience in operating a chartered bank and that this experience will grow and mature to the point where First Nations can assume full responsibility for the bank operations. The capacity building and good governance will be achieved by having First Nations shareholders and TD Bank each appoint directors to the board. The bylaws allow for a minimum of 8 and a maximum of 11 directors. TD Bank appoints 4 directors and the First Nations common shareholders appoint 4 directors. By formal agreement, the First Nations common shareholders and the TD Bank work cooperatively to select and appoint two additional directors and the President of the First Nations Bank is jointly elected to the board. This structure will allow a majority of the directors to develop with FNBC and remain as directors after the TD Bank is bought out. In the initial years, the experience and skills of the TD Bank appointed directors will ensure good corporate governance for FNBC.

Who Are the Directors?

FNBC was created to be a national Aboriginal bank, and as such, we sought directors that could bring a broad base of experience and contacts. Although 100% of the initial First Nation investors were from Saskatchewan, we saw it as important to reach out to the experience and management expertise of other regions. The initial directors include:

- Keith Martell, CA, Chairman of the FNBC
- Grand Chief Matthew Coon Come, Grand Council of Crees of Quebec
- Chief Roy Whitney, Tsuu T'ina First Nation
- Marv Tiller, Tribal Council Investments Group of Manitoba
- Urban Joseph, Executive TD
- John Leckie, TD Senior Vice President Business Banking Services
- Jeff Somerville, TD Senior Vice President
- Heather Conway, TD Vice President Corporate and Public Affairs

We have two vacant positions and they will be filled once we determine our future needs and the additional representation required.

Where Is Head Office and Do You Plan to Expand?

The first branch and head office is at 224, 4th Avenue South in the First Nations Bank Building in downtown Saskatoon. The tower complex was purchased by the Yellowquill First Nation as part of their economic development program to house the head office of the First Nations Bank of Canada. We plan to seek regulatory approval and to actively sell shares to other Aboriginal groups in Canada. The objective is to be a national institution with operations in all regions of the country by year 8 of operations.

A second branch is scheduled to be open in June 1998 in the community of Chisasibi, Quebec. This community is one of the nine communities of the James Bay Cree.

What Type of Services Will You Be Offering?

We will offer a full range of personal and corporate deposit, credit and transaction services. The extensive use of technology including computer banking, agency banks, cash cards and ATM services will reduce the need for a large number of branches but allow us to expand our market borders.

Are There Any Unique Product or Service Offerings?

We have designed special products for the Native community. The first service is the Elder's account. This is an account that is available to Aboriginal clients over 60 years of age and provides preferred interest rates. The First Nations Home Financing program offers both on and off-reserve home financing with mortgage terms ranging from 6 months to 10 years. The First Nations Business Managers Account is for business operating accounts. In addition, there are a number of investment services offered through TD Securities.

The Banking Industry Is Very Competitive. What Strategies Do You Have for the First Nations Bank? How Will the Impending Canadian Bank Mergers Effect the First Nations Bank?

The FNBC marketing plan focuses on commitment — a commitment to First Nations people and specifically to you, as individual customers. We are committed to providing a total banking relationship by fulfilling your complete banking needs and working diligently to maintain the highest level of customer service. We want to make sure our customers understand all the benefits of the bank and to ensure they are receiving the best service First Nations Bank of Canada has to offer.

The proposed mergers will require regulatory approval before the final implications can be determined. As proposed, the mergers would be good for the First Nations Bank of Canada. The merged bank consisting of the TD Bank and the CIBC would assume the strategic alliance with the First Nations Bank. There would be enhanced market coverage by the new bank and a larger more capable partner with more capabilities and resources for First Nations Bank to draw upon in order to service our customers.

Lessons from CANDO Recognition Award Winners

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Kevin Fitzmaurice

INTRODUCTION

The Best Practices section focuses on those practices in economic development within Aboriginal communities which are seen as excellent examples of 'best practices,' those activities which produce excellent or outstanding results or that simply make a difference. This section is intended to provide ideas for action. We will attempt to highlight economic development initiatives from across Canada. For this issue, the Best Practices were selected from the 1997 CANDO Recognition Award winners. We felt that as a group that they represent some of the best practices in economic development within the Aboriginal community.

Kevin Fitzmaurice, Part-time Instructor, Native Studies, Trent University

1. Gitksan and Wet'suwet'en Economic Development Corporation (British Columbia)

The Gitksan and Wet'suwet'en Economic Development Corporation (GWEDC) of British Columbia is an economic development body that serves nine distinct communities within two nations of the Gitksan and the Wet'suwet'en. The corporation is driven by a board representative of these communities and the work is carried out by two staff who are members of two of the communities.

The GWEDC has been instrumental in contributing to educational development within the province by providing both long-term and short-term educational economic development. This has resulted in the start-up of 94 First Nation business partnerships with government, enterprises and other First Nations, as well as the introduction of business courses. More specifically, the corporation has initiated partnerships in the development of small business seminars, resources based workshops and other employment related initiatives. Moreover, it has successfully pulled together the School District, the Province, and other funding sources to institute a Youth in Business course offered in the local high school.

The GWEDC is seen as a vehicle which works for the Gitksan and the Wet'suwet'en membership to effectively increase First Nations participation in the local economy. They have also been the driving force behind the surge of self-employment in the two regions. The corporation has accommodated the forestry needs of the major forestry companies by providing for the start up of many contractors and sub-contractors through self-employment schemes. Furthermore, it has provided for the season start-up capital needs for its many commercial fishers.

The GWEDC is an organization that utilizes all of its resources and those within its grasp to the utmost potential to the benefit of its members and for the advancement of healthy communities. This corporation's strength lies in its respect for the land and the natural environment and its belief in the abilities of people. Moreover, the GWEDC adheres closely to its mission statement of meeting the economic needs of the Gitksan and Wet'suwet'en people through an ongoing dialogue with its members and the ability to change and adapt to their demands.

Culturally, the GWEDC has combined both Traditional practices with Western economic methods. The Gitksan and Wet'suwet'en are a culturally strong people whose clan system is ingrained in their daily lives. Each clan is grouped into "house" groups. The Chief of the House Group has a very apparent role with the GWEDC's Loan Guarantee and the Micro-Grant Program. The process for each program requires that the entrepreneur obtain support from his/her Chief before the GWEDC will begin its assessment process. And thus, the house system serves as the eligibility standard for the GWEDC to apportion its funds.

2. Paskwayak Business Development Corporation (Manitoba)

The Paskwayak Business Development Corporation (PBDC) of Manitoba covers eight band-owned businesses and employs approximately 225 band members. The organization has worked diligently and consistently to further the role of economic development officers across Canada. The PBDC has, throughout its existence, been motivated by the two goals of the Opaskwayak Cree Nation(O.C.N): Independence and Progress. All the corporation's activities are grounded firmly in providing meaningful, productive employment, skill enhancement and training for community members as well as in raising the profile of Aboriginal people in general and of the Opaskwayak Cree Nation in particular as full participants in the Canadian economy.

In the field of education, the PBDC staff guest lecture classes at Keewatin Community College and has made themselves available as advisors. Furthermore, the corporation provides scholarships and bursaries to deserving students attending universities and colleges across North America.

Using primarily community members in its construction, the PBDC built the 60 room, $8.5 million Kikiwak Inn. This facility is staffed by 50 band members that are provided with both pre-employment and ongoing training. In addition, the corporation renovated the Otineka Mall with the aim of revitalizing the area and providing services and employment opportunities for band members. To ensure the economic success of the wholly owned Otineka IGA, all the departmental managers enrolled in the Cornell University Retail Food Managers Program sponsored by the PBDC. With the new management systems,

an Aboriginal management team and an operational plan, the store has succeeded in securing considerable profit which has been reinvested into the business through the repayment of loans and mall renovations. The future of the Mall is considered very bright and continued growth is expected.

There are several other areas that the PBDC has become involved with as a way in which to diversify its interests. The corporation has been a major contributor to the acquisition of a junior hockey franchise which provides a positive, athletic option to Aboriginal youth in the region. Additionally, the team provides direct full-time employment for several arena employees. The PBDC was involved with a promotional video for the Opaskwayak Cree Nation and the Paskwayak Production Company has produced a number of health related documentaries that are both entertaining and educational. Through its small business loans program, the corporation has issued approximately 130 loans to a variety of community based entrepreneurial initiatives, most notably in the areas of Native art and craftwork. Furthermore, the PBDC is currently negotiating to diversify the resource extraction-based nature of developments and has become involved with the industrial service industry. A recently submitted proposal dealing with eco-tourism at Clearwater Lake is intended to provide an environmentally friendly method for nature enthusiasts to enjoy the nearby provincial park.

3. Kitsaki Development Corporation (Saskatchewan)

The KDC has a twenty year history in the area of successful economic development with the Lac La Ronge First Nation of Saskatchewan. Its most significant development successes have been in a variety of industries with an emphasis on economic partnerships and capital alliances. Among its most notable contributions to the local economy are its continuous involvement and support for a number of northern trucking firms, a catering business, a food processing plant, La Ronge Motor Inn and Venture Kayaks

In the area of education, the KDC has focussed on programs that involve the direct transfer of skills. More specifically, it has provided its members with mentorship, internship and shadow programs as well as school to work transition programs.

4. Chief Louis John Stevenson, Peguis First Nation (Manitoba)

Appointed Chief of the Peguis First Nation community of Manitoba in 1981, Chief Louis Stevenson has overseen the dramatic changes within his community, including: an increase in the number of businesses on the reserve from 5 to 51 and a corresponding rise in employment levels by approximately 30 percent. Incorporated in 1984, the Peguis Development Corporation has designed a comprehensive development strategy that is based on community needs and aspirations and that reflects an emphasis on education and training and the creation of an economically viable community.

As part of this effort to create a strong and sustainable economic base in order to meet its own commercial demands as well as supplying external markets, the Peguis First Nation has developed the Peguis Supermarket and Mall, the focus of the local business centre. The Mall, which has become the major shopping centre for the surrounding area, also provides community services and is the home of the Peguis Band Office and Health Centre. Moreover, as part of the strategy of meeting community needs, Chief Stevenson has provided leadership in the development and creation of Peguis Custom Cabinets and Millwork business which has been essential to the construction of the new school as well as recent housing developments.

In the area of education, Chief Stevenson has been instrumental in providing appropriate instruction to the people of Peguis. His efforts include the initiation of the New School Feasibility Study which has resulted in its recent construction. Furthermore, he has had an important part in the development of the Peguis Adult Education Learning Centre, which has served as a model for the Aboriginal community in Canada and abroad.

Among his successes and achievements, Chief Stevenson has served as Interim Grand Chief of the Assembly of Manitoba Chiefs (1987–89), received an eagle feather from the Assembly of Manitoba Chiefs (1980), and received the Commemorative Medal for the 125th Anniversary of Confederation. In 1995, he received the prestigious National Aboriginal Achievement Award for outstanding community development. Furthermore, in 1996 Chief Stevenson was nominated for the National Royal Bank Award which honours those who have

made an important contribution to human welfare and the common good.

WHAT LESSONS CAN WE LEARN FROM THESE BEST PRACTICES?

Some common themes emerge from the four case studies, including:

1. The notion that economic development is intended to serve the entire community;
2. The need for sustainable economic strategies that contribute to political independence;
3. The importance of culturally relevant development that is driven by community needs and aspirations;
4. The importance of economic diversity as a way in which to ensure sustainability;
5. The need as part of economic initiatives for both initial and ongoing education and training;
6. The importance of economic development corporations as a both a technical and capital support organization for new businesses,
7. The need for a strategic, focussed, consistent, and long term approach to economic development. Economic Development did not occur overnight. It was the result of the collective effort of many individuals, businesses, organizations, and governments.

Editor's Introduction

David Newhouse

One of the ways that we learn is to carefully examine the situations that we find ourselves and to write about it. The process of writing helps to clarify our thinking and makes our work accessible to others who may (or may not) find it insightful and useful. Our goal is to present the work of those who are researching development in Aboriginal communities. We take a very broad view of economic development and research, as you can see from this first selection of articles, which range from philosophical articles on land ownership to an examination of the workings of a planning board in northern Ontario to an analysis of how to link theory and practise in the teaching economic development.

We hope that we can create an informed reasoned and coherent dialogue about the field of Aboriginal economic development. We invite you to join us, either through your reading and use of the articles or through the submission of articles.

FIRST NATIONS ECONOMIC DEVELOPMENT
The Meadow Lake Tribal Council†

>> >> >>   << << <<

Robert B. Anderson

and

Robert M. Bone

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'.

Robert B. Anderson, School of Business and Public Administration, Saskatchewan Indian Federated College; Robert M. Bone, Department of Geology, University of Saskatchewan.

† An expanded version of this article is included in Robert B. Anderson, Economic Development among the Aboriginal Peoples in Canada: The Hope for the Future (Toronto: Captus Press, 1999).

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 survival[1]. 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 languages[2]. 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, respectively[3]. 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)

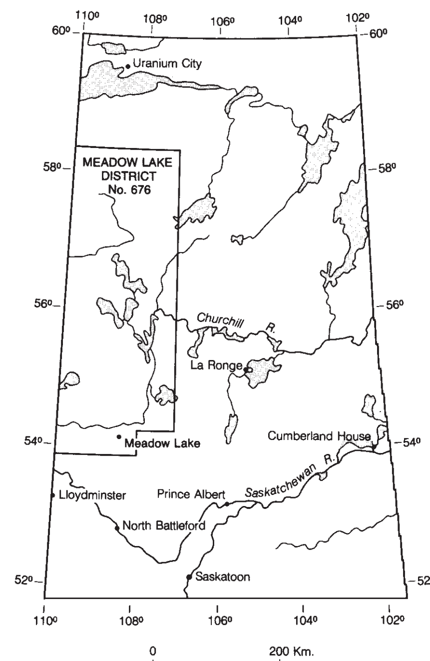
THE ECONOMIC DEVELOPMENT ACTIVITIES OF THE FIRST NATIONS OF THE MEADOW LAKE TRIBAL COUNCIL

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.

FIGURE 1
The Meadow Lake Tribal Council



Source: Anderson and Bone 1995a, 126

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 Basin[4]. The southern part of 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 Sahgaiehcan	English River
Waterhen Lake	

TABLE 2: Non-First Nation Communities

South Urban (Town, Villages and Hamlets)	*Rural Municipalities*
Meadow Lake	Meadow Lake #588
Gregg Lake	Loon Lake #561
Makwa	Beaver River # 622
Loon Lake	
Goodsoil	
Pierceland	
North — Villages and Hamlets	
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 predominately 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

	Non-Aboriginal			*Aboriginal*				
Population	*Rural Municipalities*	*Town, Villages & Hamlets — South*	*Total Non-Aboriginal*	*Villages & Hamlets — North*	*First Nations*	*Total Aboriginal*	*Study Area*	*Province*
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

	Rural Municipalities	*Town, Villages & Hamlets — South*	*Non-Aboriginal*	*Villages & Hamlets — North*	*First Nations*	*Aboriginal*	*Study Area*	*Province*
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.

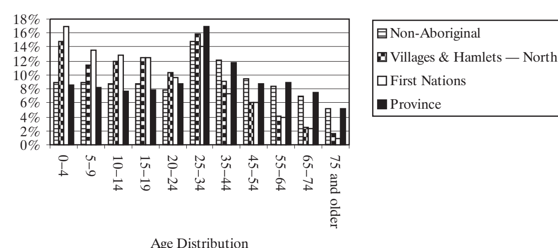
In 1986, there was a clear difference in participation and employment patterns between the people of the MLFNs and the non-Aboriginal people of the region (Table 4). Only 38% of the people of the First Nations participated in the labour force whereas 66% of non-Aboriginal people and 52% of the residents 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 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).

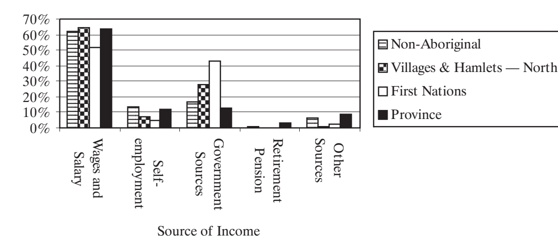
Household income (Figure 4) and household size (Figure 5) offer additional insight into the relative economic circumstances of the groups in the study area. In 1986, fully 52% of the people of the First Nations lived in households with an annual income less than $15,000. In contrast, only 36% of the 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 2:
Age Distribution, 1986



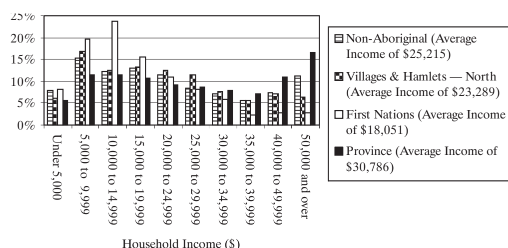
Source: 1986 Census of Canada

FIGURE 3:
Source of Income, 1986



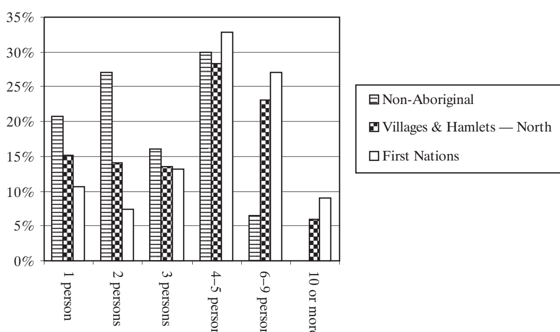
Source: 1986 Census of Canada

FIGURE 4:
Household Income, 1986



Source: 1986 Census of Canada

FIGURE 5:
Household Size, 1986

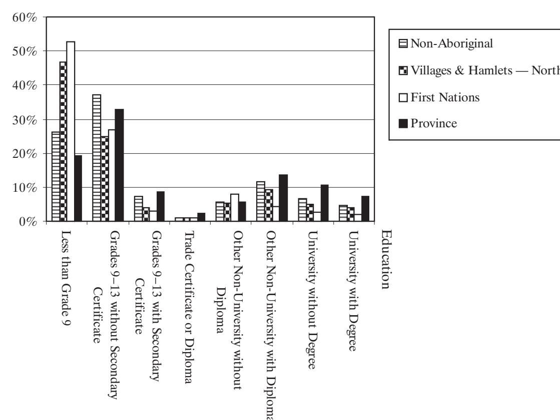


Source: 1986 Census of Canada

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 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%.

FIGURE 6:
Education Level, 1986



Source: 1986 Census of Canada

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	50
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	–17
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 aspects 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.

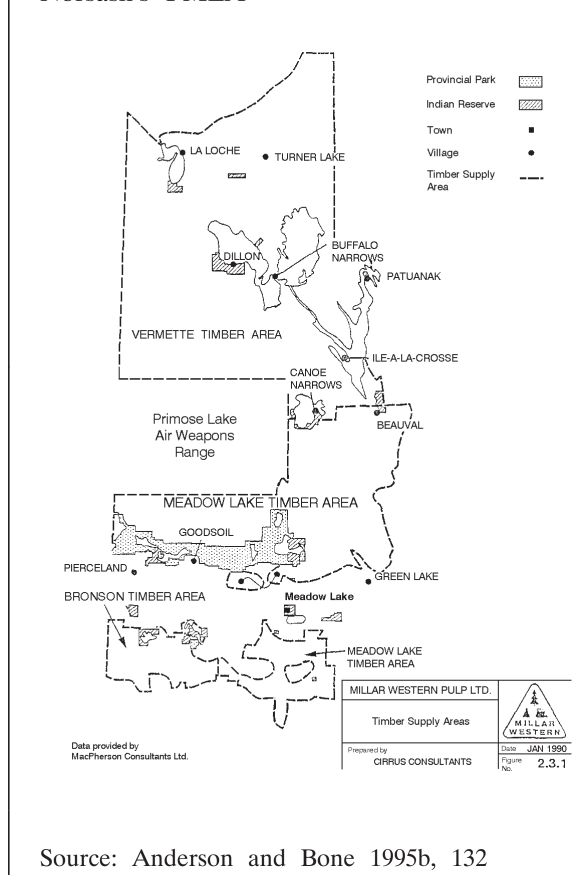
MLTC Forestry Developments

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.

FIGURE 7
Norsask's FMLA



Source: Anderson and Bone 1995b, 132

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 m^3 to a maximum of 250,000 m^3 in year four and thereafter (K. D. Developers 1991, x).

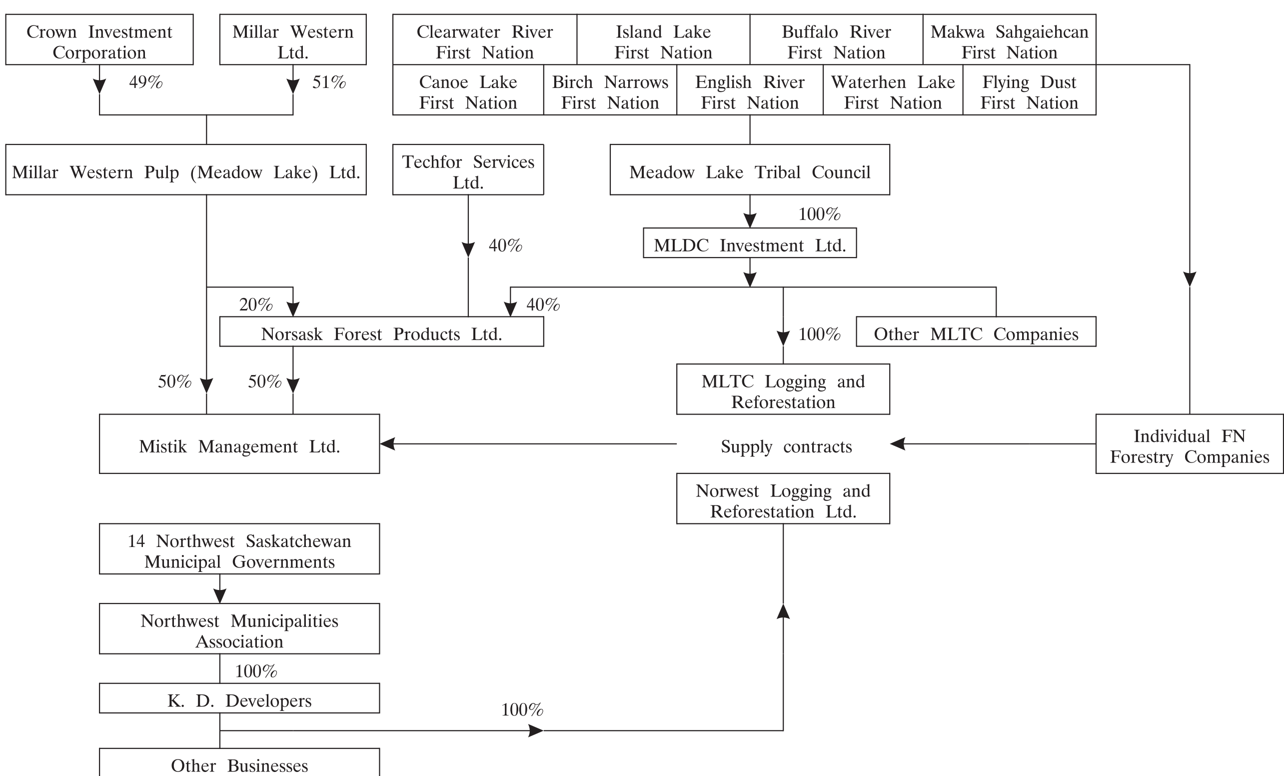
Individuals from these communities also formed companies to participate in forestry activities.

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 m^3, up from the 300,000 m^3 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 m^3 in 1994, up from the 50,000 m^3 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



Source: Anderson and Bone 1995b, 133

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 action[5].

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 general 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 settlement[6]. 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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The Lockean Basis of Iroquoian Land Ownership

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John Bishop

I. INTRODUCTION[1]

John Locke's theory of property was carefully designed to render claims to land ownership by North American Native people illegitimate; as a result of this agenda, his theory is Eurocentric, gender biased, and blind to many aspects of Native culture. Locke's involvement in the colony of Virginia gave him a vested interest in showing that land in North America was unowned at the time of contact, and he provided the basis for a discourse on property that many European settlers for generations were eager to believe.[2] The case for this view has most forcibly been made in recent articles by James Tully[3], who intends to cast doubt on the applicability of Lockean property theories to Native land ownership. If Tully's views become generally accepted, and it seems likely some version of them will be,[4] defenders of Native ownership claims will have a basis for rejecting Lockean style property theories altogether, or at least for rejecting their applicability to Native land. Tully, for example, argues for recognition of dual Native and English common law property discourse, neither of which is Lockean. Not that the rejection of Lockean discourse is new; there has been a long history of rejecting its application to North America. Even in Locke's day, alternative views of property were proposed for Europeans settling in North America. In the nineteenth century, Chief Justice Marshall explicitly rejected Lockean foundations for property claims in *Johnson and Graham's Lessee v. M'Intosh* (1823).[5]

This paper will examine an alternative to rejecting the application of Lockean property theory to Native lands at the time of contact. It will be argued here that if the Lockean approach to property is corrected for Eurocentric and gender bias, and for blindness to Native cultures, then Native ownership of both agricultural and hunting lands at the time of contact has a firm Lockean basis.

As a test case for showing that Lockean property theory supports Native ownership, this paper will discuss Iroquoian land usage.[6] The mixture of hunting and farming that formed the basis of the Iroquoian economy at the time European settlers began questioning Iroquoian land ownership makes this a useful example. However, this paper is not intended as a contribution to the study of the Iroquoian system of land ownership; it is an attempt to identify biases and theoretical problems in Lockean property theory by trying to apply that theory to a non-European culture and economy. Showing that Iroquoian land ownership has a Lockean basis in not to say that Iroquoian property rights are best analyzed in Lockean terms; it only shows that Lockean theory has failed in denying Iroquoian ownership of the land they farmed and hunted on.

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The removal of biases from Lockean property theory and the application of the theory to Iroquoian land usages are part of a larger discussion concerning both the interpretation of Locke's writings and the coherence of Lockean style property theories. Some of the key issues in that larger debate which are crucial to our current concerns can be correlated with discussion of specific aspects of Iroquoian culture and economy; the following lists these and the section in which they will be discussed:

Issue of Lockean Interpretation or Coherence	*Iroquoian Culture or Economy*
III group ownership	• farming methods
IV enclosure	• governing structures
V nature of improvement	• temporary clearing of farm land
VI nature of labour	• care of hunting grounds
VII Lockean proviso	• cultural significance of hunting

However, before dealing with these specific issues, this paper will first outline very briefly Locke's theory of property and his view of North American Native People.

II. LOCKE'S THEORY OF PROPERTY

In the beginning, God gave all of nature to humankind in common (II, 25); all people had an equal right to gather natural resources for their own use. Once gathered (or "appropriated"; II, 26), an item belonged to the person who made the effort to gather it, but nature itself remained common property. One owned the apples one picked (II, 28), but not the apple tree; the deer one hunted (II, 30), but not the forest. Ownership was conferred by the effort expended to make an item available for personal use; an object became personal property when someone "hath mixed his labour with" it (II, 27). Once acquired, owners of objects were entitled to dispose of them in any fashion they chose except letting them spoil unused.

When applied to land, the theory holds that all land was originally owned in common, but that anyone who chose could acquire a rightful property claim to a specific piece of land by labouring to make it more productive. One could, and this example is appropriate for the woodlands of North America, clear the forest, plough the soil, and cultivate crops.[7] This would entitle a person to own not only the crops but also the land that had been cleared.

The portion of the Lockean theory outlined so far refers to the original appropriation of property — that is, how a piece of land goes from being part of the common property of all people to being the private property of a particular individual. Once a piece of land is private property, the owner, while alive, can choose to transfer ownership to any other person and, upon dying, can designate anyone as heir (subject to the owner's moral responsibility to dependents).

This theory of appropriation has an implied limit in that a person is not entitled to acquire more land that they can productively cultivate. Locke also places two constraints on appropriation of land.[8] First, a person cannot claim so much land that it produces more than the owner can consume before the produce goes bad. The other constraint is the famous Lockean proviso; a person is only entitled to transfer property from common to private ownership if "enough and as good is left for others." The interpretation of this proviso is much discussed,[9] and later in this paper it will be discussed with reference to the settlers on Iroquoian territory. Locke argues that the development of money removes these constraints on the amount of property a person can own; once money provides a means of stored value, ownership of property can be unlimited.[10]

Interpreters of Locke have argued variously for labour, merit, efficiency, and desert as the basis of Locke's theory of original appropriation.[11] However, underlying any or all of these is Locke's theory of natural rights and natural law. In a state of nature, people can be aware of and are morally bound by the Law of Nature. Ashcraft usefully distinguishes natural law as the moral foundation of Locke's theory from empirical claims which Locke uses to apply natural law to specific historical situations, like seventeenth century North America.[12] In these terms, what the present paper will do is return to the natural law foundations of original appropriation and reassess the application of this to North America using recent empirical information unavailable to Locke.[13]

The Law of Nature, among other things, imposes on all people a duty to undertake actions which tend to preserve the human spe-

cies.[14] Because certain forms of labour increase the likelihood of preservation, we have a duty to perform those kinds of labour. Since original appropriation of property encourages and makes possible those kinds of labour, original appropriation of private property becomes a right.[15] This is related to efficiency in that more efficient use of land also tends towards human preservation. However, Locke nowhere argues that efficiency overrides private property once ownership is established; his theory is obviously not a utilitarian theory in which land must always be reassigned to the most efficient use. Thus efficiency is only relevant at the time of original appropriation and only in so far as it helps Locke derive property rights from natural law. The duty to preserve humanity is the primary aspect of natural law used in the current paper.

In the chapter on property it is clear that Locke thought most of America was still owned in common by mankind (II, 26) — meaning all of mankind, not just Native Americans. He also seemed to think that most of America was vacant (II, 36). Native Americans wandered wherever they wanted in a vast, empty continent; Locke seemed quite concerned that they might get lost (II, 36). He did not seem to think that they had identifiable territories, cultivated farm land, or assigned hunting grounds. Economically, they hunted and gathered; nowhere does Locke acknowledge agriculture outside the civilizations of Meso and South America.

Trade, according to Locke, was in the form of barter and was limited because Native Americans had no money (II, 49). For the most part, they had not entered civil society because they had no regular government (II, 108).[16] He repeatedly refers to the natives of North America as an example of people living either in a state of nature or under the "youngest" forms of civil society (II, 49; II, 108).[17] When necessary, decisions would be made by "the people" or their representatives in a council. Locke's image is of free and independent individuals living in the state of nature coming together to make decisions with no individual claiming power or authority over any other.[18] Only when fighting a war would they elect as temporary commander the bravest or strongest man present.

How accurate is this picture as applied to the Iroquoian of the seventeenth and eighteenth centuries? Not very.[19] The issue of mostly vacant land held in common will be discussed later in this paper. The Iroquoian economy was based on agriculture, with hunting and gathering important supplements to the three cultivated staples — corn (i.e., maize), squash, and beans. Money of various sorts played some role in the economy, more as a medium of exchange than as stored value; Locke was right in thinking that the Iroquoian did not have an insatiable desire to acquire endless amounts of gold or to accumulate unlimited possessions of any sort.[20] The Iroquoian did have extensive trade connections throughout North America before the European arrival. And long before attempts were made to settle the lands, the fur trade with the French, Dutch, and British had become a significant part of the Iroquoian economy.

On government, Locke was completely wrong. The Iroquois had formed the Five (later Six)Nation Confederacy as a sophisticated, complex, and well-defined system of governance, and the Huron were a confederacy of four peoples.[21] The Iroquois confederacy had been formed in the fifteenth century (prior to Columbus); it was functioning throughout Locke's lifetime and throughout the eighteenth century when settlers were moving onto Iroquoian lands. However, Iroquoian government had neither the sort of authority to enact laws nor the executive power and control that European governments were used to.[22]

III. GROUP OWNERSHIP

Locke always assumed that land would be appropriated and owned by individuals. Prior to the formation of government by social contract, a piece of land was either commons available for individual appropriation, or it was the property of an individual who had invested labour in improving it. After the formation of government, there could be agreement to leave some land unappropriated; such "commons" would belong to the community in the English fashion, but such community ownership was only possible subsequent to the formation of government, and would be exceptional even then because the purpose of forming government was the protection of private property. Individuals would own most of the land.

For the Iroquoian, land was not the property of individuals; both agricultural land and hunting grounds were assigned to clan segments, villages, or bands. This group ownership could not be by community agreement after the fashion of English commons since Locke

viewed Native People as being in a stage prior to the formation of government. Furthermore, government could not be formed in a community in which all productive land was group owned since governments are formed by agreement of individuals for the protection of their individual property; if there was no individual property, government would not be formed to protect ownership. A Lockean justification of Iroquoian group ownership cannot, therefore, be based on social contract and the formation of government.

If a Lockean basis of group ownership is possible, it must be derived directly from natural law. Interpretations of Locke's views on natural law vary, but Tully[23] agrees with Simmons and others in thinking that natural law for Locke included a natural liberty of the individual bounded by a natural duty to preserve mankind and by certain natural obligations. Group ownership of land puts limits on natural liberty because it makes use of the land contingent on the agreement of the other members of the group, and on social obligations to share labour and produce. This appears to conflict with the whole point to Locke's argument on property, namely, that owning property does not depend on getting anyone's agreement, and does not involve obligations to society. To justify the limits on natural liberty that group ownership involves, what one needs to show is that the survival of the group imposed natural obligations to share work and produce among the community.

Locke acknowledged that wives and children have a claim in natural law on a man's property, which takes precedence over, for example, the claims of a victim of aggression against an aggressor's property, or the claims of a conqueror in war.[24] The claims of the wife and children are based on the belief that recognition of such claims advances the survival prospects of humanity. The extension of such claims from immediate family to the extended family or community would depend on showing that given a particular culture, technology, and situation, the survival prospects of the group were enhanced by group ownership.

Given the immense labour involved in clearing forests with fire and stone axes, and given the need for cooperation in hunting, it is not unreasonable to claim that shared labour and group ownership of land enhanced Iroquoian survival. If so, then group ownership has a clear Lockean basis in natural law.

IV. ENCLOSURE

Locke explicitly claims that land in North America was not enclosed, and connects this with his claim that such land was still common property. For example, he talks of "... the wild Indian, who knows no enclosure, and is still a tenant in common ..." (II, 26). It is certainly true that Iroquoian hunting grounds were not physically enclosed, and Iroquoian agricultural land was not enclosed in the cow and sheep proof fences and hedges common in England. This physical difference may have contributed to Locke's and other Europeans' failure to perceive Native land ownership systems.[25] However, Locke's own argument shows that such physical enclosure is not necessary to justify ownership; legal "enclosure" is sufficient once government has been established. Locke claims that laws are the "fences to properties of all members of the society" (II, 222), and elsewhere says that "the people hav[e] reserved to themselves the choice of their representatives as the fence to their properties ..." (II, 108).

However, laws can only be fences once government is established, and Locke quite clearly saw North America as being still in a state of nature (II, 49). In a state of nature land can be private property, but it is not fenced by laws and government since these do not exist.[26] Without government, the Iroquoian could not claim enclosure by laws, and so without physical enclosure there could be no ownership.

But Locke's Eurocentric biases has lead him to an error here; legal enclosure does not require a government capable of legislating and enforcing property rights; all that is required is a method of recognising property claims and resolving disputes. This the Iroquoian had for both hunting and agricultural land. Hunting grounds and agricultural land were assigned to particular clan segments or families. These assignments lasted over many generations and hence became part of tradition.[27] Boundary and trespass disputes, if minor, were handled by local chiefs. Disputes between different nations of the Iroquois Confederacy would be settled through council meetings called and supervised by the Onondaga chiefs. Locke was probably right in suggesting Native leaders had only limited power to make laws concerning land ownership and limited powers of enforcement. But these are not needed to prove Lockean ownership; only a system of recognising land ownership is neces-

sary for enclosure in a state of nature. Locke's image of North American Native People running "wild" (II, 26) in a huge forest without boundaries reflects only his failure to perceive non-physical enclosure.

It can be concluded that Iroquoian land, whether used for agricultural or hunting, was "enclosed" in the required sense that ownership was recognised by defined social structures.

V. NATURE OF LAND IMPROVEMENT

One of the most powerful Lockean arguments against Native ownership of land is the claim that land appropriation depends on the labour of clearing and cultivating, and that since Native peoples had not laboured on the land, the land could be appropriated by settlers willing to do so. This argument is powerful, but not correct. Its application to Iroquoian agricultural lands and hunting grounds needs to be discussed separately.

The failure of Locke and other Europeans to perceive the extent of Native agriculture was probably partly due to the Lockean argument that agriculture usually implied ownership; the easiest way to deny ownership was to deny the facts. In the case of the Iroquoian, the application of Lockean property theory to agricultural land is complicated by the fact that improvement was not permanent. Because of the lack of manure, land was cleared, farmed for ten to thirty years, and then not used for agriculture.[28] It needs to be shown that labour leading to non-permanent improvement confers ownership.

On Locke's theory it does. For Locke, labour is relevant only to the initial appropriation of land from the commons, not to its continued ownership. Locke assumed that improvements would be permanent or maintained, but there is nothing in his theory of appropriation that requires this. To require continual labour or improvement would radically change the theory to a utilitarian one in which continued ownership would depend on continued assessment of its productivity. This would undermine Locke's entire attempt to establish property rights, and replace it with an argument for the utility of property.[29] Once the Iroquoian cleared land, Locke would have to recognise that it had been appropriated. Ceasing to farm it subsequently is irrelevant to continued ownership.[30]

VI. HUNTING GROUNDS

The Lockean argument against Iroquoian ownership of hunting grounds was that the Iroquoians had not invested labour in clearing the land and subduing nature; since their labour had only been directed towards hunting animals not improving the land, they owned the animals they killed, but not the land they hunted on. Their hunting grounds were therefore still the common property of all mankind, and could be appropriated by anyone willing to labour at clearing a portion of them. It has been pointed out that this argument will always justify farmers appropriating the land of hunters,[31] But I will argue that this Eurocentric bias in favour of farming is not inherent in Locke's argument and that hunters can claim a Lockean basis for owning their hunting grounds.

A Lockean based claim for ownership of hunting grounds rests on three factors: socially recognised assignment of hunting territories, care of hunting territories by restraint, and hunting's contribution to the survival of the community.

For the Iroquoian at the time of contact, hunting territories were associated with particular clans and assigned to families within the clan by tradition. Within the Five (later Six) Nation Confederacy and their client bands, there were recognised procedures for resolving disputes. This social recognition of the assignment of specific hunting grounds to identifiable people or groups is sufficient to establish "enclosure" for purposes of a Lockean argument; physical enclosure is irrelevant, and in this case incompatible with usage since the animals needed to wander. As argued above, group ownership of such "enclosed" hunting grounds by families, clans or bands is as relevant to Lockean arguments as individual ownership.

Within assigned territories, families would hunt certain species in certain areas some years and times of years. Other years and times of years, they would refrain from hunting. The purpose of these hunting patterns was conservation.[32] The patterns were set by a combination of tradition and close observation of the fluctuations of animal numbers and their migration patterns. Decisions were based on the principles of respect for tradition and respect for nature and living things. Religion instilled a belief in the sanctity of people living in spiritual harmony with the rest of nature,[33] but the economics of family survival lay behind caring for hunted

species by sometimes refraining from hunting at certain times and places. Later, when the English and French fur traders started to provide the Iroquoian with access to insatiable European markets and to European made goods, the ethic of care was sorely stressed, but there clearly had been some care by restraint at the time of contact.

Such restraint satisfies Locke's argument in the same way labouring to improve the land does. For Locke, investing labour in improving common land conveys private ownership of the land because of a combination of two factors; first, such labour improves productivity and hence people's chances of survival, and second, it would not be undertaken unless private ownership of the resulting benefits, which requires private ownership of the land, is assured. Care by restraint fulfils both these requirements every bit as well as land improvement; restraint would not be undertaken unless those who restrained their hunting reaped the benefit, and given the technical level of Iroquoian society, restraint that prevented over-hunting of particular species in particular areas at certain times would increase the chances of human survival.

Thus if one returns to the natural law obligation to provide for the survival of the community, restraint can justify ownership of hunting grounds in precisely the same way that labour justifies ownership of farm land. The extent to which this changes the labour theory of appropriation needs to be noted. If this conclusion is correct, labour does not allow appropriation because the activity somehow "mixes" something of the labourer with the land, but because labour in some situations is required by natural law. Natural law, in other situations may require other types of behaviour, such as restraint. Any behaviour required by natural law confers property rights in a fashion similar to labour if the property rights permit or encourage the behaviour required.

This conclusion is actually more restricted than some current interpretations of the requirements of Lockean arguments. Simmons argues at length that ownership does not require labour, but that "property can be acquired by incorporation into our purposive activities."[34] The conclusion of the present paper is restricted to activities required by natural law. When discussing Simmons' view of purposive activity, Tully points out the implication which is argued for in the present paper that North American Native People owned North America at the time of contact.[35] Tully thinks this shows purposive activity is not a correct interpretation of Locke's intention, but we are here trying to show that Locke's intention of dismissing Native ownership of hunting grounds was inconsistent.

VI. THE PROVISO

The previous section argues that there are Lockean grounds for recognising Native ownership of hunting grounds; this section, on the contrary, assumes that the hunting grounds were the common property of humanity and argues that even on that assumption, appropriation of hunting grounds by European settlers does not have a Lockean justification.

As mentioned above, Locke placed two constraints on the right to the appropriation of common land; a person could not justifiably appropriating land that would produce more than they and their family could consume before it spoiled, and the appropriation had to leave "enough and as good" for others. The second of these is the famous Lockean proviso. There have been many interpretations of the Lockean proviso;[36] the two that need to be examined in the current context are: (a) that the Iroquoian were left as well off as they were before the settlement; or (b) that there was suitable land left for the Iroquoian to settle on and farm in the same way as European settlers.

If the first of these interpretations is assigned to the proviso, then the proviso was clearly violated by the settlement of Iroquoian hunting grounds. That the Iroquoian hunters were less well off after settlement is clear from their bitter complaints throughout the eighteenth and nineteenth centuries that settlers were interfering with hunting.[37] The effect of settlement on hunting is clearer when it is realized that any particular settlement would be in the hunting territory of a particular clan or community, and thus the burden would fall not imperceptibly on the Iroquoian people as a whole, but very perceptibly on specific groups of individuals.

The other interpretation of the phrase "enough and as good" would imply that there was as much land left for each Iroquoian as each settler had acquired, and that the Iroquoian portion could be made as productive as the settlers' lands. In other words, there was enough land left to allow the Iroquoian to give up hunting and become European-style farmers.

Accepting this argument implies that farmers everywhere have a natural right to force hunters to become farmers since the farmers are entitled to settle on hunting grounds until the hunters have only enough land left to live if they adopt farming.[38] A couple of things need to be said about this version of the proviso. First, if the settlers are within their rights to enforce their right of settlement, this version of the theory of original appropriation collapses into a right of conquest whenever the hunters object to giving up their hunting grounds. And the Iroquoian plainly did object.

Locke was keen to establish that original appropriation does not require the permission of the rest of humanity, and in the event of interference in "justified" appropriation he thought a state of war would be justified.[39] However, he did not view his theory of original appropriation as a justification of war, and did not give serious thought to the possibility that as a matter of fact that might be the normal result.[40] Locke repeatedly uses phrases such as "there could be little room for quarrels or contentions ..." (II, 31); there was not "any prejudice to any other man ..." (II, 33); or the "rest of mankind" would have no "reason to complain or think themselves injured" (II, 36). The problem with this second interpretation of the proviso is that hunters clearly did see themselves as injured, and saw themselves as thinking they had good grounds for thinking so. It was empirically not true that there was "no room for quarrel" (II, 38).

Second, this interpretation of the proviso does not deal with the historic fact that North American Native People (such as the Cherokee[41]) who cleared land for European style farming simply made the land more attractive to Europeans and lost it anyway. And it must be remembered that the argument applies only to Iroquoian hunting grounds, not to the land they used for agriculture.[42] The impact of this second interpretation of the proviso is that no value at all is placed on lifestyles that use the commons as commons, even if those lifestyles (having avoided the tragedy of the commons somehow) have existed for centuries.[43] But it seems that this is the only interpretation of original appropriation and the proviso which can justify the right of settlement on Iroquoian hunting grounds. The justice of this interpretation in the context of aboriginal rights has been explored elsewhere.[44]

VII. CONCLUSION

John Locke's theory or original appropriation of land was intended to show that North America in the seventeenth century was unowned, and that Europeans had a right to appropriate land in America by clearing and farming it. This theory of appropriation was based on natural law and certain beliefs about Native American cultures. But Locke was lead into inconsistencies by his biases; consistent Lockean arguments from natural law in fact show that North American Native People had already appropriated both farm land and hunting grounds, and hence that most (or all) of North America was private property at the time of contact. Given the culture, technology and situation of North American Native peoples, Lockean arguments based on natural law show that group ownership of property is as legitimate as individual ownership, that physical enclosure of private property is not required even prior to the formation of governments, that temporary land improvement is sufficient to legitimise appropriation, and that care by restraint is as adequate for appropriation as labour for improvement. It can be further shown that even if Native hunting grounds were still common property, the Lockean proviso would make appropriation by settlers illegitimate anyway. Locke failed in his attempt to deny Native ownership of land at the time of contact.

NOTES

1. For a much longer version of this article, which expands on the philosophical issues of Lockean property theory, see: "Locke's Theory of Original Appropriation and the Right of Settlement on Iroquois Territory," *Canadian Journal of Philosophy*, Sept. 1997.
2. Lockean discourse was not the only discourse about property; much of the debate between European and Native property claims depends on other theories of rights and property such as treaty rights, aboriginal rights, or the right of conquest; this paper deals only with the Lockean theory of property.
3. James Tully, 'Rediscovering America: The Two Treatises and Aboriginal Rights,' in G. A. J. Rogers, ed., *Locke's Philosophy: Content and Context* (Oxford: Clarendon Press 1994); James Tully, 'Aboriginal Property and Western Theory: Rediscovery of a Middle Ground,' in Ellen Frankel Paul, Fred D. Miller, and Jeffrey Paul, *Property Rights* (Cambridge: Cambridge University Press 1994); James Tully, 'Property, Self-Government

and Consent,' *Canadian Journal of Political Science*, 28 (1995).
4. Richard Tuck, 'Three Great Empires — and Their Defenders: the Diverse Conquerors of the Americas,' *Times Literary Supplement*, No. 4860 (1996) 15.
5. Tully, 'Aboriginal Property and Western Thought,' 158.
6. I will follow Trigger's usage in which 'Iroquoian' refers to the Hurons, the peoples of the Five (later Six) Nation Confederacy, and other peoples speaking languages of the same group. 'Iroquois' will refer only to the peoples of the Five (or Six) Nation Confederacy. Trigger points out that the Iroquois and Hurons, despite their on-going warfare with each other, had similar economies in the immediate pre-contact period (12). I am not aware of any differences in their economies which affect the arguments of this paper. See Bruce Trigger, *The Huron: Farmers of the North* (Fort Worth: Holt, Rinehart and Winston 1990).
7. That Locke had precisely this in mind is argued by Arneil, 602–603; and by James Tully, 'Aboriginal Property and Western Theory,' 160. Locke's phrase is "tills, plants, improves, cultivates ..." (II, 32).
8. Tully refers to these as the internal or spoilage limit, and the external or sufficiency limit; James Tully, 'Property, Self-Government and Consent,' 120.
9. See for example; Robert Nozick, *Anarchy, State and Utopia* (New York: Basic Books 1974); and Jan Narveson, "Property Rights: Original Acquisition and Lockean Provisos" (Unpublished manuscript, University of Waterloo 1995).
10. For a discussion of how Locke applies the constraints only to original acquisition, see Macpherson 203–20. Shrader-Frechette argues against Macpherson and others on this point (206–19); I will take the view that Natural Law continues to apply after original acquisition, but that the specific constraints do not apply unless they are entailed by Natural Law in particular situations, which they are generally not for Locke in commercial society. This position may be consistent with Shrader-Frechette's discussion. See C.B. Macpherson, *The Political Theory of Possessive Individualism* (Oxford: Oxford University Press 1962); and Kristin Shrader-Frechette, 'Locke and the Limits on Land Ownership,' *Journal of the History of Ideas*, (1993).
11. cf. Shrader-Frechette, 201–19.
12. Richard Ashcraft, *Locke's Two Treatises of Government* (London: Unwin Hyman 1987), ch. 2, esp. 50–56.
13. Locke had in fact read extensively the writings about North American Native People that were available in his day; cf. Tully, 'Rediscovering America,' 168. He obviously considered empirical information relevant.
14. Tully, 'Property, Self-Government and Consent,' 107; also Knud Haakonssen, *Natural Law and Moral Philosophy: From Grotius to the Scottish Enlightenment* (Cambridge: Cambridge University Press, 1996) 55.
15. For a discussion of the debate surrounding this interpretation of Locke, see Tully, 'Property, Self-Government and Consent,' 113–18.
16. Also Tully, 'Rediscovering America,' 169. In 'Aboriginal Property and Western Theory' 164, Tully argues that Locke gave three reasons for not recognising that Native Americans had government. These are: the war chief could not "declare war or peace," "the councils often appointed *ad hoc* arbitrators of justice," and there was a "lack of crime, property disputes, and litigation."
17. See also Tully, 'Rediscovering America,' 169.
18. ibid.
19. Tully discusses the inaccuracy of Locke's views of the property and government systems of Native Americans, including the Iroquois, in 'Aboriginal Property and Western Theory,' 163.
20. Trigger, 48, 95.
21. Trigger, ch. 6.
22. Jennifer Roback, 'Exchange, Sovereignty, and Indian-Anglo Relations,' in Terry Anderson, ed., *Property Rights and Indian Economics* (Lanham, MD: Rowan and Littlefield 1992) 13–16; Bruce Benson, 'Customary Indian Law: Two Case Studies' in Anderson, ed., *Property Rights and Indian Economics* 28; Trigger, 80–96.
23. Tully, 'Property, Self-Government and Consent,' 108.
24. The gender bias in this paragraph is Locke's.
25. cf. for example, Flanagan's discussion (591–92) of John Winthrop's "General Considerations for the Plantation in New-England," (1629). It is clear from the quotation Flanagan gives that for Winthrop, it was the lack of physical enclosure (and the lack of "manurance") that meant Indian lands were unowned and available for settlement. Thomas Flanagan, "The Agricultural Argument and Original Appropriation: Indian Lands and Political Philosophy." *Canadian Journal of Political Science*. Vol. 22, 3, (1989) 589-602.
26. Tully, 'Rediscovering America,' 169.
27. Tully, 181; also William Cronon, *Changes in the Land: Indians, Colonists, and the Ecology of New England* (New York: Hill and Wang, 1983) 58–67, for a discussion of how land assignment varied with use. Tully's and Cronon's discussions are in terms of North-eastern Native peoples in general, as are most discussions of hunting grounds. There appear to be only limited studies of the Iroquoian assignment of hunting grounds, but see Trigger, 34–39.
28. Trigger, 30–32.
29. For a discussion of the differences between rights and utility theories of property, and arguments

showing Locke's is a rights theory, see Jeremy Waldron, *The Right to Private Property* (Oxford: Clarendon Press 1988), especially 5–19.
30. On actual abandonment of property, see Simmons, 'Historical Rights and Fair Shares,' 171.
31. Tuck, 15.
32. The extent to which the Iroquoians and other Native peoples practised care of hunting grounds by restraint is greatly debated; see Claudia Notzke, *Aboriginal Peoples and Natural Resources in Canada* (Toronto: Captus, 1994) 145–149 for recent comments on and references to this debate. For purposes of my argument, the extent of care is irrelevant; any level of care would satisfy Locke's argument. Also, the collapse of the care ethic under pressure of the fur trade with Europeans (as is discussed by Notzke, 147) is also irrelevant, since this would have been subsequent to the original appropriation of the hunting grounds.
33. Tully, 'Rediscovering America,' 190.
34. Simmons, 'Historical Rights and Fair Shares,' 183; also 162.
35. Tully, 'Aboriginal Property and Western Thought,' 116–17.
36. For a survey of interpretations of the proviso, see Narveson, 'Property Rights.'
37. Williams, 235.
38. Besides scholarship on Locke such as Tully's, this question has provoked philosophical debate; cf. Michael McDonald, 'Aboriginal Rights,' in William Shea and J. King-Farlow, *Contemporary Issues in Political Philosophy* (New York: Science History Publications, 1976); David Gauthier, untitled review of William Shea and J. King Fallow, *Contemporary Issues in Political Philosophy*, *Dialogue*, Vol. 18, (1979) 432–40; Nichola Griffin, 'Aboriginal Rights: Gauthier's Arguments for Despoliation,' *Dialogue*, Vol. 20 (1981) 690–96; Thomas Flanagan, 'The Agricultural Argument and Original Appropriation: Indian Lands and Political Philosophy,' *Canadian Journal of Political Science*, Vol. 22, 3 (1989) 589–602; Nichola Griffin, 'Reply to Professor Flanagan,' *Canadian Journal of Political Science*, Vol. 22, 3 (1989) 603–606; and Thomas Flanagan, 'Reply to Professor Griffin,' *Canadian Journal of Political Science*, Vol. 22, 3 (1989) 607. The discussion in the current paper is more restricted, dealing only with the issue in the context of Locke's theory. If these papers are debating about a Lockean type proviso (and it in not clear that this is the context of all of the debate) then they presuppose that Indian hunting grounds are common property and can be appropriated subject to the proviso. It might be more appropriate, as Griffin points out ('Reply to Professor Flanagan,' 604), to view this debate as about expropriation.
39. Tully, 'Rediscovering America,' 170–71.
40. See Ashcraft, ch. 8, for Locke's views on a state of war (which was not the same as the state of nature as it was for Hobbes); see Williams, ch. 5, 6, and 7, for the history of the idea that Europeans had a right to wage war against Natives if the Natives in the slightest way interfered with settlement.
41. Ronald Wright, *Stolen Continents: The "New World" through Indian Eyes* (Toronto: Penguin 1993) ch. 9; also Flanagan, 601.
42. It is now recognised that the extent of Native agriculture was far greater at the time of European contact than was realised at the time. The discourse of the right of settlement may explain why Europeans, including Locke who no where acknowledges Native agriculture in North America, did not see this.
43. As Tully expresses a somewhat similar conclusion: "This is the flaw in almost all the purported solutions to appropriation without consent: they presuppose agreement on the values and goods of the commercial system," ('Property, Self-Government and Consent,' 127).
44. See footnote 38 above.

A VOICE AND A PLAN
Key Steps toward Economic Development

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Margaret Wanlin

Gold! It was discovered on the shores of Opapamiskan Lake on the traditional lands of North Caribou Lake First Nation in remote Northwestern Ontario, and an opportunity was born.

North Caribou and the other five First Nations who belong to the Windigo First Nations Council had long been concerned about lands and resources issues. Located several hundred kilometres north of Pickle Lake, these communities are members of the Nishnawbe Aski Nation. Most are served by all-season airports and a winter road for two months in the winter.

The traditional lifestyle is important to members of these First Nations. Sustenance hunting and fishing, commercial fishing, trapping and gathering are highly valued. But Ontario's system gives them no official voice in off-reserve issues regarding the traditional or encroaching economy and lifestyle.

In 1987 Windigo First Nations Council negotiated an Impacts and Benefits Agreement for a mine to be developed in its territory. The second agreement was signed in 1989. These agreements were a learning process for all the partners — First Nations, mining companies, governments.

The negotiation of the third agreement, for the Musselwhite Mine on Opapamiskan Lake, created an opportunity to address the long standing concern about First Nation involvement in lands and resources issues. And so in 1992 a separate agreement was signed called the Windigo-Shibogama-Ontario Planning Agreement.

The agreement created two Planning Boards which are unique in Ontario. Each board is made up of two communities and a tribal council which would be impacted by the proposed mine, and Ontario. Each has this mandate, given by an Ontario Government Order-in-Council.

> The Board shall advise the Minister by:
> (a) developing a plan for land-use and resource development in the planning area
> (b) reviewing and commenting on development applications
> (c) identifying potential opportunities for resource-based economic development and the practice of traditional economic activities
> (d) developing community participation models suitable for use in remote northern Ontario.

Membership in the Windigo Interim Planning Board consists of three Windigo representatives (one each from the member communities of Cat Lake and North Caribou Lake First Nations and one representing Windigo First Nations Council) and three representatives on behalf of the Government of Ontario. The

Margaret Wanlin, Chair, Windigo Interim Planning Board

Ontario members have backgrounds in mining, tourism and planning. The Chair, the seventh person on the Board, (and author of this article), is independent.

The Ontario/First Nation agreement provided the Board with a five-year life, 1993 to 1998. The original goal was to use the first five years as an experimental period so that a more permanent structure could be put in place based on the learning from the original work.

At the time of writing this article, early 1998, now four and one half years into the mandate, what has been done and accomplished? We will examine that question by looking at each of the four mandates of the Board.

MANDATE (a)
Developing a plan for land-use and resource development in the planning area

The planning area is the traditional lands of North Caribou Lake and Cat Lake First Nations. During the first two years of the Board's mandate, the Board struggled with the question of what a land use plan for this area might look like. We knew we didn't want it to look like any kind of land use plan that any of us had ever seen. We found it easier to define what we did not want it to be like than to decide what we did want it to be like. At first, none of us could clearly see what the whole picture would be like so we found a place to start and invented as we went. The picture gradually came into focus.

What were the basic beliefs and values on which the plan would be based? We worked together on this statement, with lots of review and input by First Nations people.

> **The land is an integral part of the cultural, economic and spiritual existence of First Nation people. Its character has been principally wilderness used by First Nations people in a sustainable way. This relationship between the people and the land must be the cornerstone of the future decision making in the Windigo Planning Area.**

With that statement in mind we started to work on principles which should guide any future development. It had quickly become apparent to us that we couldn't predict what kind of development pressure/opportunity there might be, so instead we focused on how decisions should be made and under what conditions the First Nations would want to see development occur.

Here is a sampling of some of the principles:

Social and Cultural:

- Traditional First Nations decision making systems were based on consensus, i.e., discussing, listening and reflecting until all members are committed to one course of action. Consensus is a highly-valued method of decision making and one which should be incorporated into resource development processes.
- In any resource use projects, the potential impact on the community's social and cultural fabric must be considered.

Resource Protection:

- The perspectives of the First Nation regarding the land and development are considered, e.g., regard for the environment, respect for traditional activities.
- Development will be controlled and implemented in a planned way so that sustainable development can occur.

Resource Development:

- In situations where infrastructure is created, attention will be given to taking a long term view and trying to create it in such a way that it has the highest possible long term value to the First Nations. Opportunities for shared infrastructure will be considered with interest.
- Developments will happen with the full knowledge and participation of adjacent communities. At the community level, decisions will be made based on accurate information in forums where all people and groups in the community have input.
- The First Nations will be particularly interested in developments which contribute to their ability to be self-sustaining and recognize the First Nation's determination toward self government.

A key element is the aspirations of the two individual First Nations. Each has a twenty-year vision. Here are some samples of each.

For North Caribou Lake First Nation: "... will be a healthy community which successfully combines the traditional with the modern ... will provide a better life for the community members by maximizing opportunities. It will take advantage of its location. It will maximize

employment opportunities. It will provide community members with the opportunity to gain skills through training. Money will circulate more in the community with more community businesses."

For Cat Lake First Nation: "... New values adapted from the best of both cultures will be embraced by community members and these values will be taught and engrained in the youth so there is clear direction in the acceptance of changes.... Near the community and within the traditional areas there is an abundance of harvestable natural resources to guarantee economic business opportunities. During the 20 year transitional period the Band members will be involved heavily in joint ventures and co-usage and co-development of off-reserve resources."

Keeping these aspirations and principles in mind, how and where should development occur? The land use plan identifies four areas which are defined as follows:

Traditional Area: Traditional areas are a combination of registered traplines and the traditional trapping, hunting, fishing and gathering grounds of families and established groups. The trapline areas registered to members of North Caribou Lake and Cat Lake First Nations, respectively, and the associated family lands form the traditional area of each First Nation. The area of interest of the Planning Board is the traditional areas of both communities.

Intensive Subsistence Harvest Area: The land traditionally used on a continuous basis by community people as part of their way of life, source of food, and spiritual and cultural connection to the land. Economic development may occur when it is consistent with the aspirations of the First Nations. Priority will be given to First Nation operated ventures.

First Nation Economic Development Resources: Based on the resources of the land and the aspirations of the First Nation, these are specific resources which are ear-marked for development and use by the First Nation.

Protected Areas: These are particular places where development should either not occur or be severely restricted. These are areas of particular importance for ecological, cultural or sustenance reasons. Examples are fish spawning areas, wild rice habitat, burial grounds, provincial parks and Areas of Natural and Scientific Interest.

The Planning Board's role is to advise the Provincial Government. So it will be up to Ontario to decide how it will be implemented. Much of the implementation work starts with the First Nations. They will be able to work on some of the key areas regardless of the approach taken by the Government.

MANDATE (b)
Reviewing and commenting on development applications

In this early days of the Board's mandate this work involved receiving requests for work permits and reviewing and commenting on them. These work permits might be for mining exploration, road building or creation of outposts, among others. In several cases the Board recommended conditions to the approval of the permit which the Ministry of Natural Resources agreed with and attached to the permit approval.

One of the benefits of this process was that First Nations became more aware of what was happening in their "own backyard." Community work was done so that affected people, particularly the trapper for the area, as well as the community as a whole had an opportunity for input.

In one case the community and the Board were against mining exploration in a particular location. It was felt to be too close to the community, on a heavily travelled route, and on a river which leads into the home lake of the community. The Board asked that the work permit request be turned down. The Government agreed. This incident has been very contentious in the mining and exploration community. It stands as the only time in Ontario history that an exploration request on Crown land has been turned down.

The change in government in Ontario in 1995 brought an orientation to streamlining processes. In order to cut the cost of government and to smooth the path for businesses and investors, 80% of Ontario's permit requirements were removed. Among the ones removed were the ones relating to work permits.

Effectively, this left the Board, the First Nations and the government with no official mechanism for knowing what potential developers might be doing in an area. Most parties find this unsatisfactory. The Board has held some talks with exploration industry groups who are willing to work with First Nations on a notice system.

Does this sound as if the Planning Board is against development? It isn't and the First Nations aren't. Rather, the concern is that development happen in an orderly way, with appropriate involvement, participation and benefit for the First Nations.

MANDATE (c)
Identifying potential opportunities for resource-based economic development and the practice of traditional economic activities

During the Board's term it has acted to support various economic development initiatives by individuals and the communities. This included assisting entrepreneurs who were developing a tourist operation from an old residential school, setting up prospector training in each community, providing briefings on tourism industry options for remote communities, supporting commercial fishing, and ensuring trapper's activities are considered in any development.

Economic development is a responsibility taken on by each community so the Board's role deals with off-reserve issues, providing support and assistance, and identification in the plan rather than direct action. The plan contains a number of economic development ideas and options. The Board has done some background research on a number of them.

MANDATE (d)
Developing community participation models suitable for use in remote northern Ontario

The communities of the Nishnawbe Aski Nation are very remote from government decision making. The Board was asked to look into the question of what approaches to involvement and participation might work best.

As we worked through the planning exercise and as the economic climate in Ontario changed, it became clear that extra or costly structures were not affordable. In each community the Chief and Council are the people mandated by the community to lead. It is they who are the most appropriate interface with other parties on any issue.

These principles are particularly important:

- First Nations people wish to be involved in decision making regarding their traditional lands.
- North Caribou and Cat Lake First Nations wish to increase their degree of self-determination and self-sufficiency through involvement in economic development activities on their traditional lands.
- First Nations people prefer an orderly type of development which does not threaten the traditional uses of the land and which ensures ecological sustainability.
- First Nations decision making involves consensus. Consensus building requires accurate, timely and complete information, and it takes time.

The land use plan identifies roles for the First Nation, Tribal Council and Ontario Government in implementation issues. Potential developers have a special role. Increasingly, Canadian and Ontario society are realizing that government can't do everything. That realization has happened in First Nations as well. The First Nations realize that a key to their future economic success will be in establishing their own business ventures and in building effective relationships with potential developers. A set of guidelines were set up to guide developers in their interactions with First Nations. They include:

1. Early sharing of information
2. Responding to concerns expressed by community members
3. Seeking mutual benefits and economic spin-offs
4. Recognition of development aspirations
5. Respecting First Nations decisions and input
6. Formalized agreements for advanced activities.

CONCLUSIONS

So what does it all mean? What difference has the Board made to the economies and quality of life of the people and communities?

It is a hard question to answer from the inside of the exercise. Others on the outside, and at a later date, may be able to provide a more clear answer. In preparing its fourth annual report, the Board generated these ideas to describe its accomplishments.

- Fostered dialogue between First Nations and potential developers, and First Nations and the Government.

- Assisted First Nations to become acquainted with the economic development possibilities of tourism and prospecting.
- Worked with the prospecting community to establish the need for communication with adjacent First Nations.
- Extensive mapping exercise with identification of traditional knowledge and traditional use information.
- Made communities aware of the potential of biomass heating so that they can consider alternate uses for adjacent forests.
- Reduced safety risk at an abandoned mine site with which the owners and Ontario were unwilling to deal.
- Increased community understanding of the concept of land use planning and how it might benefit the community in the future.
- Investigated how First Nations might become involved in commercial forestry as it moves north to the area near Cat Lake.

At the time of writing, the term of the Windigo Interim Planning Board has six months remaining. What will happen after the Board's term ends? That remains an unknown. A large Ontario exercise called the "North of 51' Initiative" may have a place for land use planning and be a vehicle for both implementing this work and extending it beyond the two member communities to all the communities in Windigo.

The Nishnawbe Aski Nation was once seen as a far away land, distant from development, and relatively untouched. Technology, telecommunications, air transportation, winter roads and the advancing mining, forestry and tourism activities mean it is untouched and distant no more.

The Windigo Interim Planning Board is an expression of the communities' desire to take an active part in planning for and benefitting from development which occurs in their traditional areas. That desire will continue to be expressed with increasing strength and with an increasing sense of urgency as development encroaches ever more. Will there be effective mechanisms for dealing with these issues? We hope that the lessons of the Planning Board will be part of shaping new and better ways to create the kind of forums that will work for First Nations, potential developers and governments.

CULTURALLY SENSITIVE DEVELOPMENT FOR NORTHERN PEOPLES
Canadian Experiences, Russian Opportunities

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Heather Myers

Russia is going through a period of profound transformation, from a socialist to a capitalist economy. This transformation plays out differently for different regions and peoples of Russia, but the Indigenous peoples in the North are now faced with some of their greatest challenges — and perhaps opportunities. During the Soviet period, these peoples struggled to retain elements of their traditional lifestyles, cultures and economies; now that the Soviet system is collapsing, such traditional elements may become more important, for two reasons: there is a pressing need for "subsistence income" with the breakdown of Soviet-provided services, and there is an opportunity to develop more freely along culturally appropriate lines. Northern peoples will need to make decisions about how to develop their economic systems. Without State-provided infrastructure and employment, regional resources and skills will be critical to northern livelihoods. Soviet models of economic development have been devastating to northern Indigenous ways of life — will northern peoples now be able to raise from the ashes their own culturally sensitive, economically viable and environmentally sustainable livelihoods?

The Second International Working Seminar on Problems of Northern Peoples[1], held at the University of Northern British Columbia in May 1996, provided an opportunity for Russian and North American academics, Indigenous peoples, and government representatives, to exchange experiences on the subject of northern ethnic peoples' economic development. This paper is based on one presented at that workshop, concerning experiences with traditionally based economic initiatives from the Northwest Territories (NWT) of Canada. Subsequent discussion at the workshop touched on the potential for such initiatives to benefit northern Russian Indigenous peoples. Impressions from that discussion have been included here, not as a comprehensive review of the Russian situation, but as an indication of possible future directions.

RUSSIAN CONCERNS REGARDING CULTURALLY SENSITIVE DEVELOPMENT

Russia and Canada share some characteristics in their northern territories; demanding climatic/environmental conditions; remoteness from metropolitan centres in the southern regions by vir-

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tue of distance and poorer transportation/ communication links; significant Indigenous populations struggling to maintain their cultures; rich renewable and non-renewable resources which have often been extracted in industrial-scale developments; northern Indigenous peoples who have benefitted little from the extraction of these resources from their homelands, and who are often marginalized and poor; and decision-making and financial support dependent on officials or others in distant centres.

As in Canada's North, many of the Russian Indigenous peoples still practice a traditionally based economy based on hunting, fishing, trapping and gathering. This economy provides a crucial element of peoples' earnings, in the form of food and materials, as well as cash (Berger, 1978; Ames et al, 1988; Usher & Weihs, 1989; Espiritu, 1997; Fondahl, 1998), and is often complemented by other cash infusions from wage work or transfer payments. A fundamental concern, in both regions, even while modern industrial or resource extraction developments may go on, is that the traditional lifestyle must be able to continue. Indigenous peoples' ways of life, cultures and economies are adapted to their northern environments, and are crucial to the survival of their societies. "Without reindeer, there will be no Even. For hundreds of years, the Even have been a people only through the traditional way of life with reindeer" (Robbek[2]).

However, Indigenous peoples in northern Russia have had to struggle to maintain their traditional ways of life and livelihood. Soviet pressures for Native absorption into industrialization programs, and the pollution and degradation from that industrialization have had destructive effects. There has been a severe reduction in the numbers of Native peoples able to participate in traditional occupations, and because of massive influxes of non-Native workers over the past decades, those Native peoples also have much reduced influence over political decisions in their own regions (Espiritu, 1997).

NORTHERN CANADIAN DEVELOPMENT EXPERIENCE

Tradition and Change: Development Approaches in the NWT

Historically, the economy of the Northwest Territories of Canada has included elements of resource hinterland, persistent land-based Native economy, and welfare-dependent transitional communities (Zaslow, 1988; Bone, 1992; Elias, 1991). Earlier approaches tried to assimilate northerners into the Canadian mainstream economy; increasingly, approaches are sought which are tailored to the northern environment, geography, and cultures (Economic Development & Tourism, 1990). The traditional Native economy has persisted throughout these changes in government development policy, and has provided an important backbone for household and community economies. Now, a body of experience is beginning to be built up, which proves the potential viability of "modern" developments based on traditional resources, skills and values (Myers, 1994; Wuttunee, 1992; Elias, 1991).

When northern Canadian Native peoples were moved into permanent settlements, it was assumed by government administrators that they would take up the life-style and work-style of southern Canada. The traditional way of life was seen as a dying mode, and development programs sought industrial initiatives that would create regular, wage-paying employment (Sivertz, 1961; Zaslow, 1988).

In fact, this anticipated life-style/work-style revolution did not occur. In fact, relatively few long-term developments were generated in remote northern, Native communities, and Native peoples were often reluctant to move away from their home communities in order to take up jobs elsewhere (Whittington, 1985). Certainly, some regional centres have fared better, with economies developing on the basis of government employment, transportation networks, and service centres for outlying regions, for example. In some places, large-scale resource developments did occur, providing employment and income to local peoples, but more often, employment went to workers from southern Canada. In many cases, these developments were relatively short-lived, drawing people away from their traditional land-based livelihoods to jobs as heavy equipment operators for instance, then leaving them without jobs or the accustomed cash income when the project closed down. Beaufort Sea/ Mackenzie Delta oil and gas exploration and development were responsible for intensive economic activity while they lasted, but when the world price of oil fell in 1985, the oil companies left town, leaving no lasting economic legacy which would continue without the oil activity. In hindsight, the NWT Legislative Assembly's Special Committee on the Northern Economy (1989)

characterized this period as "economic growth rather than economic development."

The second reason is that, contrary to predictions, the traditional, land-based Native economy has not ceased to exist. Indeed, research in the late 1980s showed that 80% of Native households in the NWT had at least one active harvester, and that those harvesters were earning, on average, $10–15,000 in "domestic income," that is, food, materials and fuel used by the household alone (Ames et al, 1988). For many Native communities of the North, there are few other options for employment and income in the formal, wage-paying sector — in a community of 800 there might only be 50 jobs, many of them often held by workers from the South. Thus, "working" on the land — hunting, fishing, trapping, gathering and processing — is extremely important for providing income in the form of food, furs, and other materials that the household can use, and perhaps sell in part. This importance is not just in economic terms, however; social/cultural values still place high regard on harvesting and processing skills, and on sharing the produce of one's harvest.

Occasionally, over the past decades, there have been experiments with development approaches in northern Canada that were more in tune with Native resource use patterns, notably the Special Agricultural and Rural Development Agreement, which supported primary producers and renewable resource-based projects. The more common approach was to try to mimic the western, European economic model — and with varied success (Seguin, 1991; Clancy, 1985). In the past decade, however, since the decline of the Beaufort oil play, government programs, Native communities and Native development corporations have been experimenting with development of renewable resource-based enterprises, as a way of providing economic opportunities more in keeping with Native culture and the northern environment (Myers, 1994; Department of Renewable Resources, 1993).

Developing Renewable Resources for Northern Communities

A review of six federal and territorial government programs, operating between 1978 and 1992, found 473 projects that had attempted to develop commercial enterprises based on traditionally based renewable resource uses (Figure 1 lists the sectors of interest). These projects received total funding of nearly $20 million (Myers, 1994), a small amount compared to the billions of dollars of funding contributed by the federal government to mining or oil and gas exploration and development. But this modest sum has had a respectable impact. A sample of 70 projects (15% of the total number funded) shows that 52 of the 70 projects were aimed at actually starting up or supporting an active commercial enterprise (rather than simply doing a feasibility study), and that 73% of them were continuing to operate at the time of the survey (they ranged in "age" from 2 to 25 years). This compares very favourably with the success rate of new small business starts in southern Canada (Gardner, n.d.). The sample included a range of initiatives, such as hunting, processing and distributing a variety of country foods; fisheries projects of various sizes; harvesting and processing wood products for fuel or lumber; hide processing and crafts supply, production and distribution; outfitting, accomodating and occupying tourists, sport hunters and fishermen.

FIGURE 1
Renewable resource sectors

Country food
Commercial fishing
Forestry
Fur, leather, by-products and crafts
Tourism
Sport hunting
Sport fishing

Before we look at the experiences and characteristics of successful projects, it is useful to review an approach to categorizing northern communities that was adopted by the Government of the NWT (GNWT). Its Economic Development Strategy (Economic Development & Tourism, 1990) defined three categories of community (see Figure 2). These recognize that each type of community has certain characteristics, needs and perhaps preferences regarding lifestyle and economy. As can be predicted from their descriptions, the characteristics of these communities have some influence on the nature of successful projects.

From the sample of commercial enterprises analyzed in this study, it appears that Level III communities, where job needs are greatest

FIGURE 2
NWT Community Categories[3]

I. Developed market communities have the most potential for displacing major southern supply centres. They have developed business and transportation sectors. The traditional Native economy is still pursued by many people, though participation in the wage economy is more common. This includes Yellowknife, Fort Smith, Hay River and Inuvik.

II. Emerging market communities have significant potential to expand their roles as regional supply centres and to expand the local range of goods and services. They may have a key industry or commercial development, though traditional harvesting is also still pursued. There are sixteen communities in this category, including for example, Coppermine, Iqaluit, Cape Dorset, Tuktoyaktuk, Fort Simpson, and Norman Wells.

III. Resource communities have potential for arts and crafts, and other forms of human and natural resource development, but are usually more remote, with intensive involvement in the Native economy and few wage-paying jobs. This category includes all other 41 communities.

Source: Economic Development & Tourism, 1990.

and traditional pursuits are most important, have undertaken the largest proportion of active renewable resource development projects in this sample. Level I communities, on the other hand, which have more diversified economies, seem to have been more tentative about renewable resource development, as the majority of their projects in this sample were only feasibility studies.

Almost three quarters of the projects in level III communities were undertaken by new businesses, which may be related to their success — only 62% were continuing at the time of the survey. Conversely, only half of the projects in level II communities were undertaken by new businesses, and this group enjoyed 81% continuation. In level I communities, two-thirds of projects were by new businesses, and three quarters are continuing to operate.

What Makes Enterprises Work?

A review of results from this sample of 70 NWT projects shows that a number of characteristics appear to have an influence on the success of renewable resource enterprises, and on their appropriateness to northern Native communities (Myers, 1994). Below, are recommendations regarding such renewable resource development, based on the northern Canadian experiences. These were presented to the Workshop on the Problems of Northern Peoples, and elicited some discussion of what might also be useful in northern Russia.

1. Use Indigenous peoples' traditional resources and skills as the foundation for community economic development

Renewable resource-based development projects can provide an important cash supplement to the domestic income that Indigenous peoples earn from the land, where these projects are desirable and acceptable to Indigenous groups, and where they can be sustained by the resource base, not conflicting with existing subsistence or other uses. By developing the resources and skills that people have used down through the ages it is possible to work from a solid foundation which people can easily grasp. Resource capacities, technologies for harvesting and processing, and resource management factors are known, understood and respected.

Experience in northern North America has shown a continuing preference by Native peoples there, for pursuing land-based livelihoods (Bone, 1992; Kruse, 1991; Hobart, 1982; Wenzel, 1991). Often, industrial work/wages are taken up in order to earn needed cash, but as soon as sufficient earnings are made, people return to harvesting activities. Even those holding full-time wage-jobs continue to be actively involved in land-based pursuits in their free-time (Usher & Weihs, 1989; MacLachlan et al, 1996). Indeed, northern Canadian mines have consistently had trouble engaging their quotas of Native workers in their workforces. There is always speculation in some quarters that younger generations will

not pursue the traditional lifestyle, but hunting and related skills are still much-valued parts of Native cultures, so that modern commercial enterprises which draw on the culturally based values and skills may provide a desirable option for wage-paying work with meaning.

2. Build in traditional as well as innovative approaches

If these kinds of enterprises are building on the traditional Native economy, should the enterprises stay traditionally oriented? The NWT projects ranged from very simple, traditional activities, such as collecting firewood for sale, or running a Native-style tourist camp, to very innovative ones, such as collecting sea cucumbers (a previously unused resource) for sale to Japan, or processing game meat into salamis, pastramis and other products. The results seem to indicate that enterprises which combined tradition and innovation fared better than those which leant to one extreme or the other. The largest segment of the sample were projects which used modern, technological approaches; these achieved 67% continuation. The sub-sample of projects which used very traditional approaches or techniques achieved only 50% continuation. However, those projects which combined elements of traditional and modern approaches achieved 75–88% continuation. Might it be that combining traditionally rooted skills or resources with some innovations appeals to community residents who are seeking to combine new economic opportunities with their traditional lives and knowledge?

In our workshop, it was noted that industrial-type forestry practices had less favourable consequences for Indigenous people than did traditional family-based forestry endeavours, the former being associated with safety problems, minimal local economic benefits, and exploitation of the people (Kogontchin). It was suggested that Native families who live "back in the woods" fare better despite relying on lower technology. These families may still require government assistance with product transportation and processing, but their less technology-intensive livelihoods serve their needs adequately.

Technology has been assumed to be necessary for the development of northern economies; this may be so, but experience seems to suggest that some care should be taken, to ensure that: the technology is simple enough to

FIGURE 3
Renewable Resource Traditions and Opportunities in Russia

Traditional reindeer herding is still viable and important to northern peoples, providing clothing, food, shelter and cash income; it could also support further commercial development, and blend tradition and innovation. All products of the harvest are currently used — antler, glands, skins, hooves and meat. Further international markets exist or can be developed for many of these. For instance, one small enterprise has begun producing reindeer skin sleeping bags for herders, state hunters and "hobby hunters," using the by-product of the meat harvest (Volgin, Fondahl).

Fur production (sable, fox, squirrel) has also been a long-time tradition of northern Russian peoples; though affected by European boycotts, this sector is still very important to Indigenous peoples' livelihoods (Robbek). Fur farming is felt to be alien to the Indigenous traditions, though it could be useful in the transition from older lifestyles to more market-oriented ones.

Fisheries are also important both for subsistence needs and commercial markets. They still use "primitive technology" — drying, salting, freezing and smoking, though the sector is frequently dominated by non-locals. More modern technology may be required to augment this sector in the North (Volgin). Besides food production fish-skin clothing was a traditional product that it might be possible to develop for current markets.

Berries, mushrooms and medicinal plants could achieve commercial importance, given appropriate research, knowledge or marketing. Indigenous traditional knowledge about these kinds of products, particularly medicines, must not be pirated by corporations or others involved in the development process (Erikson).

Arts and crafts have the potential to generate cash income, given adequate supplies and accessible markets. A Native network of crafts producers and marketers was suggested as one way to give crafts-products better exposure (Erikson).

be manageable/affordable by the people using it; people are adequately trained; the technology is "clean"; and it is acceptable to local peoples. Workshop participants supported a combination of traditional products and innovation as a means to achieve appropriate economic development, and support family and locally based subsistence activities.

3. Support management structures and options which fit Indigenous cultures and practices.

Government-funded economic development programs in northern Canada have traditionally encouraged private ownership of business enterprises, but it appears that this is not always appropriate or helpful. In level I communities of the NWT (see Figure 2), where there is a more developed formal economy, as well as a body of experience, role models and advisory assistance, private entrepreneurs undertook 78% of the projects in the sample; in level II communities the proportion was 70%. These projects achieved 67% and 75% continuation. By comparison, in level III communities, where there is less business experience or access to advice/assistance, private entrepreneurs on their own undertook 35% of the sampled projects, and only 29% of those continued to operate.

Conversely, in Level III communities, community-based groups (Native and community development corporations, and Hunters and Trappers Associations) have been responsible for a larger proportion of renewable resource enterprises, which have achieved 71–86% continuation rates. This may reflect a culturally based feeling that resources are not "owned" by individuals, but are a common endowment; as well, differing degrees of business expertise probably play a part.

In the Russian context, the *obschina* may be a natural organization for small-scale renewable resource developments. These family-based groupings, newly recognized by Russian legislation as the basis of Native social/economic organization, have their traditional livelihoods as a foundation for further development (Fondahl, 1995). Should they be given clear, recognized, protected rights to land and resources, credit, and decision-making powers, these *obschinas* could be the locus for resource-based developments that complement existing land uses and Indigenous needs. Workshop participants emphasized the important role that *obschinas* could play in northern Indigenous development and resource management, especially where an entire community has organized into an *obschina*, or when several *obschinas* have come together in association, such as in a Joint Stock Society (*aktsionoe obshchestvo*), which coordinates selling of the group's products.

In essence, the *obschinas* can be compared to level III communities in the NWT, as these are relatively remote, relying on a land-based livelihood, and wish to preserve aspects of the traditional way of life. In larger centres, or towns, characteristics of level I and II communities pertain; transportation linkages may be better, there may be a more developed industrial or commercial base, or even wage-paying jobs, though little experience with enterprise development to date. These northern nodes are going to be the first to benefit from a diffusion of expertise from larger, better-connected centres of Russia, while remote communities will be the last to access expertise or capital. Like some NWT communities, people in many Russian communities lack direct experience with enterprise development or marketing. Participants at the workshop identified the need to make legal and economic advice available to the *obschinis* to overcome this.

4. Don't expect to get rich

It must be noted that many of the projects reviewed in the NWT are small or seasonal; they provide some cash income, often a relatively small amount, which the entrepreneur may use to support his or her other, traditional economy activities, or perhaps another enterprise. So these enterprises may not make their participants rich, but they do help to support the continuing traditional economy, and probably supply the foundation for future economic activities.

With the perception of high unemployment, it is perhaps tempting to pursue large "solutions" through larger development projects, but in fact, the results show that smaller projects are more likely to survive. At least three quarters of those worth less than $30,000 have continued to operate, and only a third of those have received subsequent government funding. On the other hand, 63% of those projects costing between $30,000 and $90,000 have survived, with 80% receiving further funding; 69% of those worth from $110,000 to over $1M have continued to operate, two-thirds of them requiring additional funding. Though the better viability of smaller

projects is antithetical to the usual Soviet approach to development, this finding was a welcome idea to the Russian participants at the workshop.

The workshop discussion covered a variety of opinions about financing, as could be expected from a post-Soviet economy and culture in transition, as well as from a North American one also, arguably, in some flux. One perspective (Volgin) was that the government should continually subsidize Indigenous enterprises, new technology and training. Another view was that reliable credit, rather than subsidies would be more important over the long term (Balzer). From an Indigenous point of view (Robbek) came the question of whether Indigenous enterprises should even have to be profitable. From a North American viewpoint, financial support was perceived as important to the start-up of enterprises, but dependence on government or any outside funding undercuts self-reliance and pride, and makes people more vulnerable to outside-imposed changes which threaten their livelihoods; as well, it seems that governments are unlikely to have adequate funds available to them for such on-going subsidization (Keel, Myers). Given the uncertainty of government funding, the ability of people to support their own needs, in terms of food, clothing, housing and cash, is crucial.

5. Focus on local/regional markets, especially for commodities

The location of markets for the NWT enterprises has a clear impact on their success. Government economic development policy has often stressed the importance of exporting northern products, in order to bring in "foreign" exchange to the region. However, the NWT experience with "export" (to southern Canadian or international) markets is divided, according to whether projects produced commodities (meat, fish, fur & other harvest by-products, wood and arts/crafts), or provided services (tourism, sport hunting and fishing outfitters/guides).

Surprisingly, the commodities producers were more likely to succeed if they focussed on *northern* markets. This makes sense; they can produce goods to be used by their local or regional neighbours, or which are valued by other territorial residents; and they know the market, and can monitor changes in it quite easily. Northern producers have often been stung by changes in markets for their goods abroad, which they were powerless to control — for instance, the highly variable prices for furs dictated by fashion houses in the US and Europe, then the decimation of the fur market by European boycotts, and the arctic char fishery undercut by cheaper farmed salmon from Scotland and Norway. This undermining can occur from within as well; in northern Buryatiya (Siberia) an ambitious reindeer antler processing enterprise was launched, but after one very profitable year, collapsed because of a market glut, as producers all over Siberia also entered the business (Fondahl).

Serving northern markets cuts down on the problems of transportation, timing and expense that are inevitable headaches when dealing with distant southern markets. While it does not bring money *in* to the regional economy, it can cut down on the leakage of money *out* of the region to pay for imported goods. Furthermore, serving northern markets can avoid the problem of dependence upon southern consumers of "unique northern products," who can, unfortunately, be enticed away by new "unique products" from other parts of the world.

On the other hand, the service sectors in the NWT study (tourism, sport hunting and fishing guides and outfitters), were obviously aimed at out-of-territory customers, and enjoyed an 83% continuation rate (though 53% received subsequent funding). In the workshop, it was suggested that in Russia, Indigenous cultures, lifestyles and wilderness access could be developed in the form of tourist or educational camps, schools or institutes to teach non-Native peoples about Native cultures, or about the wilderness and ecology (Murtha). Tourism, sport hunting and even "photo-hunting" are growing ways for remote, Indigenous communities in other parts of the world to augment their local economies. This kind of development must be controlled by the Native peoples themselves, but as holders of the knowledge and skills, they are in a good position to present this kind of experience to others. While northern Russia has opened up to sport hunting and fishing recently, Native peoples are not benefitting, again because of a lack of recognition of their land rights (Robbek).

As with commodities producers, however, tourism sectors run the risk of having their unique "product" supplanted by new, equally unique adventures in other parts of the world.

A focus on local and regional markets was supported by the workshop, as a way to ensure

long-term viability of local economies, but it was recognized that this would require development of local and regional infrastructure, to support transportation, stores and marketing outlets, and warehouses. The cut in Soviet subsidies for transportation of goods is likely to especially affect remote northern communities attempting to connect to distant markets or suppliers.

6. Ensure that all resource users (subsistence/domestic and commercial) are included in resource management

The achievement of economic initiatives as outlined above, relies upon effective resource planning and management. An obvious, fundamental need seems to be identification of resource development opportunities, and the interests of northern peoples — all of this development planning must be done in consultation with northern peoples and resource-users themselves. In many cases, resource information (from scientific and traditional sources) will be required in order to determine sustainable development options, and market development may also be necessary. Further, it is crucial that all users of the resources being developed or affected by development are included in management and decision-making about those resources, lands and developments. This ensures that new ventures do not destroy existing ones, or threaten the potential for others.

The question of whether energy resources should be developed on Native lands and contribute to their economic development was touched on during the workshop; it was felt to be a question that each Indigenous group would have to answer for themselves. Certainly, these communities need to be included in impact identification and mitigation, compensation and management control so that energy development does not destroy other economic activities.

Should other forms of development be carried out on Native lands, some benefit can be retained for them if they have the ability to issue licences and leases; this can generate fees for the Native peoples, as well as ensure that they have a voice in the terms and conditions governing the nature of development projects. For instance, oil and gas or other energy developments, forestry developments, or sport hunting could be controlled by a licencing system which allowed Native peoples to manage those activities on their lands, and to charge a realistic fee for their use (Keel).

People also lose economic advantage if their resources are just taken away to be processed elsewhere; a system could be designed in which a percentage of the benefit, or a royalty payment would be paid back to the *obschiny* or responsible government for resources extracted and processed elsewhere.

The obvious foundation to all of this is legally recognized rights to and control over Native lands and resources by Native peoples. This will allow them to protect or develop their cultures and traditional lifestyles as well as new, appropriate economic opportunities.

CONCLUSIONS

Clearly, northern Russia and northern Canada share characteristics of environment, geography, and economic needs for their Indigenous peoples. As Russia evolves toward a market/capitalist economy, lessons from the NWT may be even more pertinent to the Russian North. That Indigenous entrepreneurs can modify their traditional livelihoods into commercial enterprises promises some benefits for northern Native communities whose other economic options may be limited, and whose preferences, in any case, may be to retain elements of their traditional lifestyles. The NWT experience shows the potential for culturally appropriate forms of development. Though they are market-oriented and capitalist in outline, they may still be informed by the Native cultures in which they are rooted, and take on forms of management and resource use patterns that are acceptable to Native values. These alternative forms of development may not generate large revenues, or to replace other forms of development, but they can be crucially important to subsistence at the family and community level.

Through out the workshop, it was illustrated and emphasized by participants that control of land, resources and intellectual property, by *obschinas* or other Indigenous groups, is necessary in order to ensure that developments are appropriate to local environments, cultures and needs, and to ensure that local peoples benefit from any developments. Indigenous peoples need autonomy to formulate their own agendas and decision-making processes regarding their lands, their uses and development. Removal of intermediaries in the processes of development and

funding would ensure that funds get to the people who need them, and that they are used for the intended purposes.

Repeatedly, the workshop raised the importance of legal clarification and support for Russia's northern peoples on a number of issues: land rights and status of northern Indigenous peoples; ownership and inheritance rights for ethnic groups and others; protection of land and environment; mechanisms for self-determination; the status of territorial administrative units (villages, counties, districts) for ethnic groups; support for Native businesses and *obschinas*. Jurisdictional issues occur at the local, regional and national levels and need to be resolved.

Government assistance is still required for development initiatives in northern Russia, ranging from simple needs such as local and regional infrastructure in the form of transportation, stores, warehouses and marketing outlets, to broader support programs such as health care, education funding, technical assistance, training, and transportation.

Fundamentally, there is a need to create sustainable livelihoods for northern Indigenous peoples of Russia. Experience in northern Canada illustrates the potential for culturally based, renewable resource enterprises to contribute to the economies of northern Native communities. Such opportunities exist in Russia, and could be augmented by improved resource information, attention to traditional knowledge, skills and values, protection of the environment, resources and resource-users, provision of supporting services in transportation and marketing, and confirmation of Indigenous peoples' land and resource rights. As the State system changes, such development could be critically important to both the commercial and subsistence livelihoods of northern peoples.

NOTES

1. The first working seminar was convened by Goskomsever in Moscow, in the summer of 1995. The second seminar was supported by the John D. and Catherine T. MacArthur Foundation, the Circumpolar Liaison Office of the Canadian Department of Indian and Northern Affairs, the Association of Universities and Colleges of Canada and the International Programmes Office of the University of Northern British Columbia. Views expressed here are those of the author, and not necessarily of any of the supporting organizations.
2. Names without dates refer to statements by workshop participants, whose names and affiliations are given at the end of the reference section.
3. Russian participants in the UNBC workshop found this categorization of communities a useful tool for understanding needs, and designing development approaches. Indigenous communities in Russia also vary in their size, traditionality, remoteness, resource access and economic infrastructure; it makes sense that development opportunities or policies will vary for each different kind of situation. At the same time, these communities are most closely linked to traditional skills and resources, and are home to peoples who have the best knowledge of them.

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PRIMARY INFORMATION EXERCISES AS A MOTIVATIONAL METHOD FOR TEACHING THEORY AND PRACTICE

Lessons from the Shuswap Nation's SFU/SCES Community Economic Development Theory Course

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Stephen Ameyaw

Action research is defined as research conducted by and for a community for the purpose of bringing about change within that community. An outstanding feature of the debate on 'Action Research' is the overwhelming contribution of the 'Action Learning' process.

As noted by Bushe (1995), the difference between action learning and action research is more a matter of emphasis than kind. *Action research*, according to Winter (1986). is intended to change some aspects of how one practices in the field (teaching, learning, relating and making money). However, he argues that one engages in *action learning* to merely learn about something.

If one accepts the premise that action learning is a critical determinant to truly know about something, then recent developments in the literature with respect to participation, performance and motivation pose serious problems in action research. According to Altrichter (1992). there are concerns that the traditional model of conducting action research often focuses upon story telling, about the methodology, philosophy, principles of procedures and concrete cases of others' experiences of engaging in action research. This traditional model makes it difficult for action research to critically react to these challenges.

Based on my experience from research, teaching, project design and implementation, I argue that the 'action' component matters a lot and that the way and manner in which such action is derived underscores the effectiveness of the research or learning process. Recent advances in 'Appreciative Inquiry' as an organizational development intervention provides insights into new and better action processes by exploring the best of what is and has been

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(Cooperrider & Srivastva, 1987; Bushe, 1995). These writers have criticized the lack of useful theories generated by traditional action research studies. They argue that the gap between the method of action research and implicit theory of social organization are to blame. They contend that the interaction between action learning, and action research can generate positive, affirmative imagery in social change processes. They suggest that it is important to explore the best of what is and what has been, in an attempt to generate a collective image of a new, better future. The defining characteristic of action learning is that it produces an understanding that can only be gained from experience. Appreciative inquiry thus provides the best way to understand the past and the present, in an attempt to project the future.

Like many university lecturers, my experiences from action learning are multidimensional. Despite the fact that the class lecture is rigidly designed to fit a desired predetermined educational goal, I often interrupt the class to inject new perspectives, based on my assessments of the situations and outcomes of the lectures. There are many concepts including theories that can be conveyed more quickly, and accurately by a lecturer using the appreciative inquiry lecture format. Primary research exercises, affirmative projections, are effective participatory tools, particularly well suited for teaching community economic development.

During the Fall of 1994 I had a unique opportunity to teach a community economic development theory course to Simon Fraser University (SFU) students at the Harbour Centre Vancouver and Kamloops campuses in British Columbia (B.C.). Canada. The students at the Kamloops campus were primarily of First Nations origin, while those at the Harbour Centre campus primarily were of non-aboriginal descent. The students came from differing academic backgrounds and disciplines. Their interests were oriented towards practice and policy analysis. There was a combination of older and younger students; some were professionals returning to university to gain new insights in the field of CED while others were just continuing their education. All the students were genuinely interested in understanding the practical applications of theory and practice, but not the dynamics of abstract theory. The characteristics and makeup of the students presented an interesting pedagogical challenge. I found that genuine primary community research exercises, recollections of positive experiences and engaging in open dialogue and participation were excellent strategies for helping students understand the CED practice and theory course. At the same time, these strategies enhanced the students ability to master the basic theory essentials required for examining practical community projects and policy analysis.

This paper will first describe some pedagogical challenges that arose during the Fall of 1994, while I taught SFU post baccalaureate diploma students a CED theory and practice course. This paper will also explain, in general, why a traditional lecture course may not help students understand the relationship between theories and their practical applications. I described how to conduct genuine primary community research exercises. This included requiring students to recollect and present their significant experiences and learnings from the communities or organizations that they examined. A discussion of how these strategies could be used to meet the pedagogical challenges will be examined, by drawing on specific instances of student input. Finally, the merits of these strategies will be compared and contrasted with other standard teaching methods.

THE PEDAGOGICAL ISSUES

Theory and Application

In general, CED theory courses tend to treat primary or practical community research exercises as secondary to the exposition of theoretical concepts. Sometimes, lecturers use examples from books, case studies, journals and newspapers, to illustrate the applications of particular theoretical concepts. In most cases, they tend to use the examples to reinforce but not challenge the theories being presented. In CED theory courses, lecturers normally present theories and past case studies. They fail to regard theories as set of tools to be used for responding to questions required for examining current and future practical uses. Primary research exercises, however could provide an avenue for students to challenge the questionable theoretical assumptions in CED. Unfortunately, and conversely, CED theory courses tend to focus on theories themselves, and their practical applications are often perceived as being merely incidental. Therefore, primary community research exercises

provide a surer way for students to learn and understand CED and its practical applications.

The goal of a CED theory course is to teach students how to apply CED reasoning to particular CED-related questions and issues. In this case, the focus is on CED analysis, processes, and practical applications. One method of illustrating this intricate process is through theory and practice. However, the primary problem with presenting applications as a means for reinforcing the theories is that, sometimes it makes a one-to-one association between the theories and their applications. In most theory courses, examples are commonly selected because they are good illustrations of particular theoretical concepts, but they do little to help students learn the appropriate theories applicable to specific community problems.

Research and Learning Approaches

CED is fundamentally related to theory and practice. CED is also guided by theoretical concepts and analytical tools. Students are therefore required to develop the ability to examine practical research projects and collect qualitative and quantitative data. In most cases, this process involves a number of tasks, including determining the types of data to be collected and its relevance to the project or program. CED also involves utilizing the best available methods for collecting information, analyzing projects and finding appropriate and useful data. Although the typical lecture and case study method provides students with some exposure to qualitative and quantitative information, it does not require them to conduct the work themselves. A prepared classroom example, therefore, does not adequately train students to completely and independently select tools, analyze projects and strategies. Nor does it help them to learn the relationship between theory and practice.

The Limitations of Theory and Research

One of the most difficult aspects of conducting applied CED research is understanding which parts of a question can best be answered by CED theories, and which parts can best be addressed by using approaches from other disciplines. In particular, students need to learn the difference between identifying variables related to the concepts of community (sense of belonging and cooperation), economics (efficiency and equity), and development (growth and quality of life). These variables have broader implications on social issues, politics, economics and the environments in which CED applications become important. In some classroom settings, it may be more effective to combine lectures and seminars, but it may also be difficult to provide examples to support the theories, since classroom examples are often abstracted from their context. This prevents one from reaching a sound CED based policy prescription

Project Exercises — And Appreciative Learning

During the first lecture/seminar of my SFU CED course, there was a discussion about the community research projects that my students had to undertake. Each student was asked to look into their own lives, at projects within their communities or groups that they have been involved with or know about, that might be perceived as fulfilling CED criteria. The students were asked to consult with friends, and to look for instances of positive programs or projects in their communities. It was my belief that an appreciative understanding of the past and present would lead to new affirmative projections which would in turn help sustain and enhance community's development. Ideally, the community project mandate was an attempt to help students examine their knowledge about the concepts, tools and links between theory and practice. In essence, it was a strategy intended to help students take from the community to the CED class, a knowledge of theory building. The project had four components: the research project itself, the preparation of the research, the discussions that took place in the classroom, and the final presentation in class or in the community, (for example, two First Nations students from Kamloops presented research projects within their communities with residents in attendance).

Despite the fact that community projects are designed and implemented based on the prevailing needs and issues confronting a specific community, students were required to explain their reasons for designing and implementing their projects. They were also told to link their discussions and analyses to the three theoretical concepts that we were examining (community, economics, and development). I prepared several questions to guide the students to clearly identify

the three theoretical points, and to then think about the relationship between these points and practices. As a lecturer, my role in the discussion was to ask thought-provoking questions that revealed links to the theories being discussed in class. However, I tried not to lead students to focus on any specific question or theory. Instead, students had opportunities to think things through, and consult with one another. From the onset, the community projects formed the basis for our inquiry and discussion, on relevant CED theoretical points. The projects were presented near the beginning of each class and were followed then by an analysis of the class readings on community economic development.

USING THE COMMUNITY PRIMARY RESEARCH PROJECTS

Project Exercises — A Motivation Learning Technique

Assigning students to conduct project exercises can motivate them to learn CED theories in two ways. First of all the students could choose topics which genuinely interested them, they experienced and expressed pleasure in learning how their topics related to CED theories and concepts, and as such they became intrinsically motivated. Second, since the project exercises accounted for a hefty chunk of the students' class grades (about 50%). and since the students were required to present their projects to their on-looking peers they found it essential to demonstrate their understanding of the CED theories and how they related to their projects. This extrinsic motivational factor also had a great value to the students.

During the first week of classes, students were immediately assigned to conduct their community research projects. This was important because I wanted many of them to present their projects to the class soon, so that they could form connections between the practical CED project applications and the theoretical analyses. While waiting for the community project presentations to begin in about three weeks time, I asked the students to form three separate groups. Each of the three groups were assigned readings based on one of the three theoretical concepts (community, economics, and development). Each group was asked to take special care to examine the readings, make relevant notes and explore all the possible analytical points and arguments related to the three concepts. During the first three seminar sessions, each group made a short presentation and then were asked questions. The class discussions based on the assigned readings generated a lot of questions relating to the three theoretical themes being examined. I often interrupted the students in order to rephrase their questions, clarify theoretical issues, and provide a direct link to other theories and practical applications.

Project Exercises — A Participative Technique

As stated earlier, the first presentation took place during the fourth week of classes. Each student was asked to make a 15–20 minute presentation and then answer questions that students and I asked. Members of the community or organizations from which the research was conducted were invited to watch the students' presentations. Some students used slides, overheads and other visual aids. Each student was asked to clearly explain the connections between the three theoretical concepts, and how they applied to their respective community projects. Below is a description of some of the community project research exercises conducted by the students.

1. The Skeetchestn Housing Project research — Although the primary research project was conducted in Skeetchestn (near Kamloops B.C.). the presentation took place at the Fountain band Indian Reserve, near Lillooet, B.C., where the student lived. The researcher explained to the Fountain Band community how the Skeetchestn Band and its council have been able to negotiate with the Canada Mortgage and Housing Corporation (CMHC), taking initiatives for building homes for its own residents. This was an interesting presentation because the student informed the residents that most home buyers can and probably should choose their own building designs. The council arranged with the building contractor to hire and train some of the residents as building trades people. The community members and students became interested and asked several thoughtful questions. Some of the key theoretical points identified were: cooperation, leadership, participation, cultural values, shelter, income, skills training and political and administrative processes.

2. The North Thompson Sawmill project — A North Thompson band CED student explained the relationship between conventional business practices and the North Thompson approach. Most of the sawmill workers lived in and were raised in this community. There were no permanent layoffs at the mill. However, employees could take 3–6 months time off from work and still be re-hired. The workers considered the sawmill to be an important resource, so they worked hard in trying to keep the mill in business. On the other hand, the band council had set up a development corporation to manage the sawmill and channel the mills profits toward the band council to fund social programs (such as library services, skills training, day care and other mentor-support activities). The key theoretical points were: cooperation, employment, income, business, training, management, social programs, and political and administrative processes.

3. The Cache Creek Silviculture Project — This research revealed interesting issues regarding the community. The researcher showed how a single proprietorship company had taken on the task of mobilizing young offenders, and providing them with employment opportunities and skills training. In addition, the elders provided the youths with traditional Aboriginal training, including using prayers and sweat lodges. This project therefore combined tree planting, socio-cultural factors and produced income for the youth in the community. The Band council has continued to support these efforts with funding and other resources. The theoretical points covered in this project were: silviculture, social concerns, cultural activities, business, employment, skills training youth and political and administrative processes.

4. The Companions Shared Agriculture Project (CSA) — This farm is located near Aldergrove, B.C. The idea behind CSA is to have a group of urban dwellers who normally do not have the opportunity to participate in the production of their food, to agree to purchase, in advance, a share in the farm's harvest. The food is then delivered to a drop-off point for the shareholders to come and pick up, or, it is delivered to their homes on a weekly basis for an entire growing season. The main garden at Companions was about one and a half acres in size. Most of the vegetables and herbs such as corn, squash, eggplant, carrots, cucumbers, beets, lettuce, swiss chard, cauliflower, broccoli, cabbage, celery, onions, beans, peas, parsley, radishes and tomatoes were grown here. It also allows more people to be involved in the food production and marketing systems and to have a stake in it. As well, a crop rotation method created ecological sustainability as well as economic viability. Due to its efficiency, this farm grows more vegetables per square meter than do many other farms of small acreage. In this way a consumption pattern that offers dietetic diversity, convenience and a good quality of life was created.

These four projects have demonstrated the need for CED students to nurture and promote public education within their communities. The integration of skills training, socio-cultural factors into building design, employment, income generation and awareness raising that took place within the three Bands were 'spin-offs' of the Band councils' mobilization for community economic development. They all reinforced the capacity of the Bands to provide income and employment opportunities that were locally conceived, culturally sensitive and locally implemented. What is being stressed here is the Band councils' ability to mobilize and organize local resources and capacities to identify their needs, and to act effectively to sustain the 'communitys' ecology and livelihood.

The underlying theories or models of community economic development may or may not remain implicit, but they are always part of the development process. Each of the three perspectives: community, economics, and development is theory-linked whether or not the student is consciously aware of this fact. This point is crucially important because much of the controversy around the CED approach has to do less with the tactics of intervention and more to do with the underlying theories on which such interventions are based. If lecturers use my suggested lecture format and teaching methods, then CED students' categories of analysis would therefore likely be much broader, dealing much more with the total context of the situation under study and

with the tactics of intervention than would otherwise be the case. The situations under study are also linked to relevant sociological, anthropological, economic, ecological and psychological theories. As demonstrated by the four community projects cited earlier, the students research analysis covered several diverse areas, including skills training, leadership, employment, income, quality of life, healthy communities, and other developmental problems. Group and interpersonal theories that deal with community health and development and the process of improving community effectiveness, are important to the CED students.

COMMUNITY PROJECT EXERCISES — AS CED LEARNING EXPERIENCES

The community project exercises gave students opportunities to explore the links between theory and practical applications. These exercises fulfilled my pedagogical goals, by inducing students to apply the theories, examine practical projects and recognize the legitimate links between the theoretical concepts of community, economics, and development. Although the four community projects examined by the students varied in style, detail and complexity, they all had similar features. First, they contained both qualitative and quantitative information which drew links to one or more theoretical concepts. Second, the community project exercises helped describe the different situations within the four communities and how each community dealt with their problems. Third, during the project presentations, students were asked to describe the community, economic, and developmental implications of their projects. They were also advised to evaluate their arguments in light of the wider political, social, and environmental objectives and constraints. Generally, the community project exercise provided students with an elegant opportunity to understand the dilemma and confusions in balancing the competing and legitimate interests of community, economics, and development.

Appreciative Inquiry and the Learning Processes

During the course of the semester, the students and I have had come to acknowledge the potentials and challenges of the appreciative inquiry method. It provided us with the opportunity to assist students, groups, organizations, and communities to mobilize collective action in life-affirming ways. I have come to learn that my pedagogy or processes of teaching and learning theories and applications needed much more emphasis than I had previously thought. I set up a constructive framework for topical discussions about theories, applications, interpersonal matters, and teamwork.

The class interaction was very instrumental and rewarding because I created a context in which students appreciated each other's viewpoints, worked in teams and were open to constructive criticism and feedback. I strongly encouraged the students to take ownership of the CED theories. For example, most of the class discussions focussed on the students' own experiential knowledge stemming from the community project exercises and readings. They were encouraged to examine positive projects, to look for trends, and to feel free to express genuine praise whenever it was deserved. The class had an atmosphere of trust that allowed exploration into the ambiguity surrounding theories and applications. Trust, respect, honesty, and teamwork emerged as a theme which took multiple forms. For example, during the first day in class I explained in detail the goal, objectives, output and the marking system, as stated in the course outline. I asked students to write on a piece of paper other topic areas they thought needed to be covered and had not been identified on the course outline. Providing the students with an opportunity to know what they were gaining from the course, and what the tasks and assignments involved, opened up a participatory and two way communication process between the lecturer and the students. This helped to maintain and elevate my students' interest in and commitment to the course requirement.

The most challenging aspect of my teaching was facilitating the study of theory and practice for a generation of students, to whom these concepts had little meaning. I found that my being enthusiastic to helping them understand the past and the present helped them to project and expand their knowledge base. I also concluded that students do not participate effectively unless their instructor treats them as individuals, and develops meaningful relationships with them, based on honesty, respect, openness, and responsiveness. In fact, lecturers can create the possibility for on-going evolution and interaction if

students are freed up to be appropriately responsible to the changing classroom activities. The evening class never ended on time. Students spent additional time in the hallways discussing and interacting on the topics.

THE BENEFICIAL EFFECTS THE CED COURSE HAD ON MY STUDENTS' FUTURE LIVES

Several months after the CED course, I gathered data regarding my students' experiences from the community project exercises and from the course in general. I conducted telephone interviews and also urged students to send me written evaluations. I received many written evaluations, but due to limited space, I have chosen four for the purposes of this paper; and these are:

1. The first student wrote me the following paragraph

   > After the CED course I visited the Fountain Band in which I presented my housing research exercises. The residents were happy to see me again. The Band council explained to me about the initiatives that the Skeetchestn Band had taken, arranging to build their own homes with the help of the CMHC. The Band council was interested in my findings, and as a result asked me to undertake a research project aimed towards identifying their housing needs and solutions. The good news is that the band council has hired me to conduct research on how they can access land and funds to build their own homes. Now I am putting into practice my CED concepts of community housing, and social and economic needs and quality of life issues.

2. The second student reported that her research exercises on Companions Shared Agriculture Project are still gaining momentum.

   > After several meetings with like-minded friends, we approached the Vancouver municipal council to allocate to us an open space so that we can organize and run a public market on Saturday mornings. After several months of city meetings and council meetings, the City of Vancouver agreed to give us an open space in East Vancouver. To our great surprise and joy, this open market — the first of its kind in East Vancouver, was commissioned by City councillors, officials and the news media on July 29th 1995. Several students who took the CED theory course, and the lecturer attended the opening ceremony. We hugged and kissed each other. What a great day to see a dream come true! The people who go to this market chat and interact with one another. There is a delightful sense of community and interpersonal interaction in this market, plus an economic exchange, and educational dynamic — emphasizing the importance of eating healthy food.

3. The third student emphasized that since his presentation, his Band council has retained him to be their advisor on CED issues in their community. He feels glad because he can practice his socio-economic knowledge to help the Band.

4. The fourth student enthusiastically explained to me that the CED theory course has connected her to important people in her life. She has come to like most of the students because they care for others. We had several social gatherings and some of us have participated with our friends and partners. We have become a community with shared interests. I just miss the class.

Finally, the post-course evaluation comments that I received from the four students revealed interesting comparative dynamics. The students living in population focused group environments, such as Vancouver, were concerned with communal and quality-of-life issues. As, such their goal was to establish and strengthen community bonds and interactions. The First Nations students, on the other hand, were much more concerned

about economic and socio-cultural issues, and sought their integration to ensure meaningful developments in their communities. The post-course evaluation comments provided a clear indication about what students have learned and how they have applied their Knowledge.

My Reflections and Learnings Following the CED Course

Teaching a CED theory course and incorporating the community project research exercises was quite demanding, yet rewarding. The rewards were based upon the problems faced by both the students and the professor conducting the inquiry. As such, the course generated practical knowledge emanating from the community to the classroom and vice-versa. As the course instructor I did learn a great deal and also gained new insights. I learned that:

1. The question of course duration became significant. Two semesters or 26 weeks would have been enough time to cover both the theories and the project exercises; one semester was not enough time. Two semesters would have provided students ample time to complete their project analyses and presentations. The literature readings and discussions of issues needed more time so that students could evaluate the connections between theory and practice.

2. The primary community research exercises proved to be a useful and valuable strategy in conveying the possibility of integrating research, practical applications and analytical arguments with equally important processes of creative thinking. The exercises helped many students understand the relationship between a community, economics, and development. The research exercise was a way of encouraging appreciative learning around the classroom learning process and its potential relevance to their experiential knowledge. Also, the presentation of the actual community projects were very well received within the seminar and within the communities themselves.

3. The students and I both experienced the action learning process, because we inquired into affirmative projections of the future, attempting to promote a sound and meaningful understanding of the CED theories. In the case of the Kamloops First Nations students for example, I included in my assigned class readings, a book about CED, written by one of their leaders. They were pleased to discover that the course readings included a book based on their own CED experiences.. We had the opportunity to provide a comparative analysis of others viewpoints on CED. I found that appreciative learning can also be fostered by balancing class discussions that are structured and focused, with sessions that are deliberately open to the diverse CED approach. The assigned readings for the seminars class were given a qualitative grade and this took care of the general participation grade.

4. It is important for professors and instructors to engage in action learning exercises in addition to the literature reviews, in order to help CED students understand the theories. A great deal of meta-theoretical applications in classrooms undermines the proper teaching of CED. I paid keen interest and attention to the class deliberations. I looked for instances of students' quality work, and praised and encouraging them to keep up the good works. I looked for such trends and helped students to move in the right direction, and expressed genuine praise when they tried and succeeded. When students believe that their efforts are recognized and appreciated, they gain extra motivation and energy to stay focussed. These beneficial effects of positive reinforcement have been documented by Bushe 1995. It also helps the instructor to build alliances and gather support. In this way, the appreciative process encourages and enhances learning, because each new affirmative projection of the future is a consequence of an appreciative understanding of the past and present.

CONCLUSION

Despite the increasingly heated, and interesting debate on action research and action learning, there is an urgent need for a unified definition and model to link the different paradigms together. Unfortunately, the varying definitions and opinions about the usefulness of action research and action learning tend to confuse stu-

dents. Although the CED students conducted action research exercises on community projects, these were action-based inquiries designed to help them learn from experience and practice. Instead the primary research exercises and appreciative inquiry teaching methods actually facilitated the CED action learning process. During the whole semester, the students and I also respected each other, were very sincere, truthful, open and responsive, and reached one another. In a sense, the classroom participation and interaction enhanced the CED learning process, enabling a deeper understanding of the various dynamics of the program. Our actions were very inclusive and participative as we appreciated one another.

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The Development of the Aboriginal Economy over the Next 20 Years

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David Newhouse

This paper sketches a view of Aboriginal economies and their development over the next twenty years. It focuses on three fundamental questions:

1. What do Aboriginal economies look like now?
2. What are the critical factors that need to be considered for their development?
3. What are possible scenarios for Aboriginal economic development?

1. WHAT DO ABORIGINAL ECONOMIES LOOK LIKE NOW?

A. Many Not One

The Aboriginal economy is not one entity that extends throughout Canada. Rather, it consists of many local and regional entities spread throughout the country. While many people categorize the different economies as northern, southern, traditional, subsistence, market, for our discussion, it is more useful to think of Aboriginal economies as consisting of two distinct and different types of economies: enclave and interwoven.

Enclave economies are economies which have a clearly defined and bounded geographic location with a central Aboriginal government authority. These economies are usually Indian Reserves and Métis Settlements. One defining characteristic of these economies is the federal legislative and regulatory framework, defined mostly by the Indian Act which makes the rules regarding land and resource use, access to credit, etc., more difficult without government (either federal, provincial or Aboriginal) involvement and intervention. These economies have a series of well-defined links to the surrounding regional economy, usually as a purchaser of goods and services and sometimes, as the producer of selected goods. Local individuals may also participate in the surrounding regional economies as member of the labour force. An example of an enclave economy is the economy of the Six Nations of the Grand River in Ontario or Paddle Prairie in Alberta.

Interwoven economies are economies which may have a defined geographic location but do not have a central Aboriginal government. These economies are usually urban but can also be rural or remote economies or Inuit economies in

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the north where reserves do not exist and public governments exist. The central feature of these economies is its interwoven links with the mainstream economy. There is usually not a special legislative or regulatory framework which affects interwoven economies. An example of an interwoven economy is the economy of the urban Aboriginal people who live in Vancouver, British Columbia. This economy will consist of several businesses selling goods and services to both the local Aboriginal population and to mainstream residents. Local Aboriginal residents also participate in the local labour markets mainly as employees. A well-developed infrastructure of Aboriginal service organizations such as Friendship Centres, social service organizations or community development organizations around which development activities may also exist.

Implications

The implication of this categorization for policy and programming is that one can strategically focus the economic development approach to the type of economy that one is focussing on. This focussed effort should result in improved economic results: increased business formation, improved economic planning; more focussed and supported local development effort, improvements in the level and quality of employment, improvements in local standards of living and more opportunities for local control.

B. Many Development Paths

The second important factor to recognize is that Aboriginal economies are developing differently i.e., Some are choosing to develop using mostly publicly owned businesses, others are choosing to foster the development of a small business community which consists mainly of individually owned businesses. Some are working closely with natural resource companies (mining, minerals, oil and gas, etc.) to develop both opportunities for businesses and employment. Others are choosing to emphasis traditional forms of harvesting activities (farming, fishing, forestry). Some are encouraging individuals to pursue high-tech careers or careers in mainstream organizations. While the paths that Aboriginal economies are choosing are different, most are encouraging the development of a business community as a primary driving forces for economic development.

In addition, Aboriginal economies have differing types of basic business infrastructures. The following schema is a useful way of thinking about business development within an economy.

□ TYPE 1 ABORIGINAL ECONOMY: A FOCUS ON LOCAL MARKETS

This economy is developing a small business infrastructure. It is an economy which consists of several small businesses, either individually, collectively or publicly owned. The businesses are typically small, owner-operated, one or few employees, usually family members, and focussed on meeting local market needs. The overall focus of the economy is inward and local.

Typical businesses are gas stations, variety stores, grocery stores, craft stores, movie rental stores, local fast-food restaurants. Businesses which serve local public institutions like local school bus operators, road maintenance, garbage collection and the like may also exist.

These businesses in serving a local market are usually marginally profitable, providing a sufficient income to support the owner-operator but not usually generating sufficient surplus to finance expansion and growth, if the owners are inclined to engage in this activity.

□ TYPE 2 ABORIGINAL ECONOMY: A FOCUS ON REGIONAL MARKETS

This economy has a small business infrastructure which functions effectively at meeting local needs. A few of these businesses are growing into medium sized businesses. The focus is on the development of regional markets in the regional economies rather than on the local markets. The overall focus of the economy is outward and regional. The business infrastructure consists of a few businesses which serve regional markets and many which serve local markets. Some smaller businesses may sell goods and services to the larger businesses.

Typical businesses are craft outlets, local manufacturing and construction companies, stationary stores, hardware and lumber yards, quarries and gravel pits, logging and forestry operations, fishing and aquaculture and service companies such as consulting services, computer services, etc.

The businesses serving regional markets usually employ people beyond the immediate family and can generate sufficient surplus to support

the owners who can probably hire managers to run the company on a day to day basis.

□ TYPE 3 ABORIGINAL ECONOMY: A FOCUS ON NATIONAL/ INTERNATIONAL MARKETS

This economy has developed a few businesses which are developing into national or international entities. The overall focus of the economy is outward and national/international. The business infrastructure will look similar to that of a stage two economy but with the addition of a few businesses which serve national or international markets.

Typical businesses are computing services, high quality arts and crafts companies, mining and other natural resource extraction, selected fishing and aquaculture companies, and service companies such as paper shredding, travel agencies, investment firms.

Implications

The implication of this categorization is to realize that the development task and so the type of government policy and programming needed will be different for each type of economy.

A type one economy will require a high degree of support for the development of small businesses, access to small amounts of capital through programs like lending circles, micro-business lending programs, assistance in economic and business planning and local training programs and programs to develop entrepreneurs. Establishing mentoring may also be necessary and after start-up programs to help individuals through the first turbulent years of business.

The primary focus of the development effort for a type one economy is small business stimulation, through encouraging either individuals (or groups of individuals) to start businesses or by starting them directly as publicly owned enterprises. They can accomplish the encouragement effort through the establishment of a development corporation which then undertakes to identify opportunities and individuals who may be interested in pursing these opportunities. Either the development corporation, the local Aboriginal government (if one exists), or a local community service organization can act as an advocate for business development, forging links with other businesses who may have opportunities for small businesses, or gathering information on government procurement programs (at all levels: federal, provincial, municipal or Aboriginal) or any number of other tasks designed to stimulate and encourage small business development.

A type two economy will require access to higher amounts of capital, perhaps some specialized expertise in marketing, production and political assistance in creating a climate of acceptance among regional mainstream businesses who may perceive local Aboriginal businesses as unfair competition. If a community has chosen public ownership of businesses, providing assistance in the development of appropriate institutions and mechanisms to separate business decision making from governance and political decision making plus developing policies regulations aimed at creating an orderly market will be necessary. Business information needs increase in complexity: more marketing information is needed by businesses, more and timely financial information is needed by the owners and creditors. The use of the Internet/world wide web as marketing tools becomes more important, especially if the company has a highly specialized product.

The primary focus of type two and three economies is encouraging and assisting in the development of larger businesses from the smaller ones which have been created, if possible. This role can again be undertaken in a number of ways: by a development corporation, local service organizations or local governments.

A type three economy will require specialized expertise in national/international marketing, specialized export financing, government advocacy in creating places for Aboriginal products in international trade fairs, expositions, tours and the like. Here specific expertise in the development of joint ventures, partnerships, national and international business agreements would be helpful.

C. Many Resource Endowments

Aboriginal economies have very different human and natural resources and hence have different economic development potential. For example, those enclave economies which are located near urban centres have excellent opportunities for business development in stages two and three as do interwoven economies in urban centres. Enclave economies which are located in northern or remote areas will have limited opportunities for development beyond stage one. In addition

to different natural resource endowments, there are wide variations in human resources or access to human resources. Again, large enclave economies may have highly skilled, educated or trained people readily available. Small enclave economies in remote areas may not have ready access to the same skill sets.

Implications

What this means is that government programming must be flexible in nature and able to respond to different needs at the same time. For example, It should be able to respond to the need for highly developed import/export financing as well as micro lending to a small individual entrepreneur.

D. One Preferred Approach

The third factor to consider is that the preferred development approach by most Aboriginal communities is community based economic development (CED). This approach places the greatest amount of control over local development with local communities and is consistent with the policy of the supporting Aboriginal government development. This approach also considers development in a holistic perspective, not isolating business development from social, cultural, political development. The CED approach is a centralized, planned, comprehensive, and thoughtful approach based usually upon a rigorous analysis of a community's strengths and opportunities. It generally requires a high degree of cooperation and collaboration between governments and community institutions. Some examples are the Saskatoon Tribal Councils Economic Development Corporation, the Kitsaki Development Corporation, and the Winnipeg Inner City Initiative.

Implications

It is highly unlikely that Aboriginal communities will deviate or move from this position, which has remained consistent since the 1960's. Federal policy and programming have shown a remarkable convergence to this position over the past 30 years as it has come to include loan guarantees, business assistance, training programs, economic planning support, business planning support. The CED approach requires a high degree of economic planning at the local level and the development of a local capacity, either individually through entrepreneurs or local established business people or collectively through publicly owned enterprises to implement the plans. This highly centralized and planned approach, which can be quite effective for economies at stage one or two may be seen as a constraint for those economies in stage three.

Summary

The development of Aboriginal peoples' economies is a highly complex set of tasks. Aboriginal economies, while usually thought of as a single entity, in reality, consist of a series of economies strung out across the country in a number of different environments with different resource endowments. It is clear that a multifaceted, flexible development approach is required. It is impossible to consider economic development independent of the context within which it is to occur. In many Aboriginal communities, as a result of the wholistic view of development and the social and health problems that occur, social development measures must be considered a critical and concurrent part of the overall approach.

2. WHAT ARE CRITICAL FACTORS THAT NEED TO BE CONSIDERED IN THE DEVELOPMENT OF ABORIGINAL ECONOMIES?

Aboriginal economies exist within the scope of the broader Canadian economies. In this sense, they are affected by national economic policies and hence are in a way interwoven into the economic fabric of the country. However, for the most part, Aboriginal economies have not been perceived as distinct economies, nor have Aboriginal people, either in enclave or interwoven situations, had the tools and mechanisms to guide their own development and participation. In fact, for the vast majority of Canadians, Aboriginal economies are invisible. This invisibility has made it hard to gather and analyse data to guide policymakers. This invisibility has also made it difficult for mainstream Canadian businesses and governments to consider Aboriginal economic development interests in their decision making processes except in ways other than after the fact.

It is this single critical fact of invisibility that needs to be considered before all others. Without visibility, it will be hard to draw positive attention to development possibilities.

A. Factors for Consideration

There are several factors which will affect the development of Aboriginal economies and which need to be considered over the next 20 years:

1. The next generation will enter adolescence and early adulthood with a more positive sense of identity and a sense that it is possible to be Aboriginal in many different ways. This sense of identity may lead to increased self-confidence and more willingness to take risks, essential qualities for business development. Over the next two decades, the Royal Commission reports that it will be necessary to create 300,000 new jobs to accommodate this next generation of Aboriginal young people.

2. Public and secondary school completion rates have increased steadily over the past two decades as has participation in post secondary education. Demand is at an all time high for training. This increasingly educated cohort will be well placed to make an excellent contribution to Aboriginal economic development. There are currently 40,000 Aboriginal individuals who are attending colleges and universities. Aboriginal participation rates in areas of study related to economic development are approximately 1/3 to 1/2 of those for the Canadian population as a whole. For example, in 1991, 1.82% of Canadians between the age of 15 & 49 were enrolled in Business and Commerce programs; 0.96 of Aboriginal people of the same age were enrolled in similar programs.

3. Demographically, the Aboriginal baby boom is about two decades behind the mainstream baby boom. The mainstream baby boom has moved past the need for huge investments in education and housing; It is now moving into requiring huge investments in health care and other services required of an aging population. The Aboriginal baby boom generation still requires huge investments in education and housing along with employment development. The lack of synchronicity will make it harder to garner the public resources necessary to facilitate Aboriginal economic development.

   In addition to the movement of the baby boom through the period of highest household formation and job requirement stages over the next 20 years, there is also the slow but continual urbanization of the Aboriginal population. Approximately 60% of the total Aboriginal population in Canada lives in urban centres. However, only 40% of the status Indian population live in cities. This means that for a significant portion of the Aboriginal population, their experience with the economy will be in urban centres and hence in interwoven economies. One then has two large groups of people to deal with: Status Indians who live on reserve and Aboriginal people who reside in urban centres.

4. In some communities, the basic infrastructure necessary for economic development is in place: small businesses, supportive local governments, banking and financial services, public utilities such as electricity, water, waste disposal, roads, communications, community development organizations and trained labour force. Those communities where these exist have good opportunities for growth and development. There is still a huge investment necessary to ensure that communities have basic public work infrastructures in place to facilitate economic development.

5. There have been some fundamental changes in the Aboriginal social and political climate over the past 20 years. There is more awareness, willingness and capacity to engage the development process between political and community leaders and community members. There is also more of a willingness to take risks and to pursue self-initiated development paths rather than wait for the federal government to take the lead role. Economic development is being seen as a key to increased stewardship and a key to self-government. There is a very strongly held position that the federal government still has a lead role to play in the facilitation of economic development activity and making it easier for it to occur. One can begin to detect a rejection of the dependency syndrome that was built up over the last 60 years.

6. Governments at all levels are moving away from the provision of direct business assistance and business support programs and

moving into a highly selective and focussed approach which is focussed on partnerships with the private sector. Government assistance is more and more targeted toward projects which can demonstrate a viable business case.

7. The Canadian private sector is expressing an increasing interest in doing businesses with Aboriginal businesses in ways that more beyond the mere selling of goods and services to them. There are now a number of joint ventures and partnerships between Aboriginal businesses and mainstream businesses.... The Aboriginal Banking Group is searching for creative and flexible solutions to the problems of financing. A number of sectorial groups have recognized the Aboriginal business sector and have adopted policies and created positions to encourage their members to do business with Aboriginal peoples. Organizations like the Canadian Council for Aboriginal Business, the Council for the Advancement of Native Development Officers, and the Native Investment and Trade Association encourages their greater cooperation and collaboration between Aboriginal and non-Aboriginal businesses.

   This type of collaboration is extended to international venues through a variety of means: international joint ventures, supply agreements, trade missions, international marketing efforts.

8. There have been increasing discussions about the creation of an Aboriginal common market which would see Aboriginal communities from across the country enter into some form of trade agreements with each other as a way of stimulating economic development and reducing the 'bungee effect' of local expenditures.

9. The type of intensive and highly interventionist approach to economic development practised in the past three decades and which is still required in the Aboriginal economy will become more difficult to obtain and to sustain. It will be necessary to think in terms of more partnerships with the private sectors, working collectively to ensure larger markets and other innovative approaches.

10. RCAP is recommending a fundamental shift in the nature of the relationship between Aboriginal peoples and Canada: this new relationship would recognize Aboriginal peoples as "Aboriginal nations" within Canada and recognize their governments as a third order of government within the Canadian federation. Aboriginal nations would consist of culturally distinct groupings such as Micmac, Cree or Haida, have a defined territory and the right to exercise a closely defined set of governmental power within them. One of these powers is expected to be the stewardship of its economy, i.e., the government of "Aboriginal nations" would have the responsibility for the development of its economy in all its facets.

    These recommendations are consistent with the findings of the research carried out by the Harvard Project on American Indian Economies over the last decade. This research had found that one of the most significant factors in economic development was the ability of a local tribe to assert and exercise its sovereignty, ie, when tribes took stewardship over local economic development, planned the type of economic activity that they wanted, developed the institutions and operated these within a moral and ethical framework consisted legitimate by tribal members, that local economies flourished.

11. RCAP proposes that Aboriginal peoples should have control of and access to significant and substantial lands and resources. It argues that control of a critical mass of land and resources is crucial to the rebuilding of Aboriginal economies. This control should come through a continued settlement of land claims, a renewal of existing treaties and the negotiation of new treaties as is currently underway in British Columbia. It would be fair to characterize the Commission's approach as based upon the principles of "fair share, fair play and fair power."

12. RCAP recommends a focus on economic development as one of its first priorities for spending over the next five years and then a shift to the settlement of land claims over the next ten years. If this approach is adopted, there are excellent opportunities

for improved Aboriginal economic growth. RCAP is recommending the following, among others:

(a) the signing of multi-year long term development agreements with Aboriginal governments. These agreements would transfer resources from the federal government to Aboriginal governments for use in economic development. It is unclear as to what these agreements would contain.

(b) mainstream businesses which are located in traditional aboriginal territories to work to ensure that Aboriginal peoples obtain more benefits from these activities through contracting out, spin-off benefits, employment, purchase of services, etc. especially in the natural resource development areas.

(c) improvement of banking services within Aboriginal communities through networks of banks, trust companies, credit unions and caisse populaires.

(d) improvement of financial services and access to capital. While the development of a network of banks and other related financial institutions is a necessary first step, it is also important that there be other types of financial services available: micro-lending programs, revolving community loan funds, government equity programs, improvements to the Aboriginal capital corporations, Aboriginal venture capital corporations.

(e) a national Aboriginal development bank: The commission argues that there is an emerging commercial need for medium and long term investments and loans that go beyond the capacity of individual Aboriginal capital corporations. This bank could issue Aboriginal development bonds or investment certificates, serve as a broker to bring together those who need capital and those who have it and provide technical and managerial advice to larger Aboriginal commercial projects.

(f) establishment of an Aboriginal economic development institute within the national Aboriginal university. The Commission recommends that a part of the proposed national Aboriginal university be devoted to the study of Aboriginal economic development and that its research findings be used to guide future public policy efforts.

(g) improved business services and entrepreneur support: Recognizing that entrepreneurs need to be supported, the commission has recommended that business advisory services, which combine professional expertise and detailed knowledge of Aboriginal communities, be strengthened and built into the emerging economic development institutions of Aboriginal nations.

(h) more focussed and strategic employment development initiatives: Recognizing that participation in the mainstream labour market is important and critical, the Commission has recommended that employment development efforts be more focussed, intensive and strategic, ie, they should be focussed on real employment opportunities for which people can be trained, should be an intense marshalling of resources to deal with a rapidly emerging problem and should be strategic in that it focuses on areas of the mainstream economy where the largest growth in jobs is expected to occur.

B. What Are the Critical Factors for Successful Aboriginal Economic Development?

Based upon the work of the Royal Commission and economic development experience in Aboriginal communities in Canada and the United States over the previous three decades, there are five factors which appear to be critical to the success of Aboriginal economic development:

1. Restoration of Power and Control over Lands and Resources

The RCAP report reinforces the fundamental axiom — that without a critical mass of land and resources coupled with the authority (and related governance machinery) to exert control over their use — little development can occur. It is important that local Aboriginal governments have ownership and stewardship over lands, natural and fiscal resources. Local governments must have ways of defining ownership of lands and resources, describing the rights that accrue with ownership, transferring ownership, and similar

registrar functions, defining and collecting taxes and other fees.

2. The Development of a Positive and Encouraging Social/Political/Cultural Climate for Aboriginal Economic Development

The work of the Harvard Project on American Indian Economies indicates the need to create a positive and supportive climate for development. It must provide a degree of stability for business people, provide security of assets for companies from appropriation by governments or others, and be consistent with the cultural norms of the community. It is important to develop within the community a sense of legitimacy for economic development and its related activities. Forms of ownership must be consistent with cultural understandings as well. Community members must be assured that development will occur within the broad ethical guidelines of the culture.

3. The Development of Enabling Instruments for Use in Surmounting the Problems Facing Aboriginal Economic Development

Aboriginal economic development initiatives face unique difficulties in several areas: accessing capital, pledging collateral and acquiring credit, accessing banking services in remote areas, accessing management and technical advice away from major urban centres among others. It is important that there be the development of enabling instruments which will assist Aboriginal people to deal with these problems. For example, recent changes to the Indian Act have made it easier to use reserve lands in development projects without losing control of them; some innovative lending circle and micro lending projects have made it much easier for micro-businesses to acquire start-up capital; some community development organizations have entered into agreements with local community colleges or universities for the provision of management and technical business advice using senior and graduate students.

4. The Development of a Skilled and Positive Forward-Looking Labour Force

A trained, skilled and experienced labour force is important to economic development. The resulting businesses and related enterprises need individuals who have a broad range of skills to work within them. It is important that these individuals have a solid base of technical skills as well as a positive attitude toward economic development. There should be an effort made to match training initiatives with local needs. It is important that there be some mechanism which connects local labour markets with local governments or organizations so that this matching can occur with a degree of certainty.

5. An Acceptance and Willingness to Engage in Economic Activity by the Mainstream in Collaboration with Aboriginal People

The RCAP report indicated that most of the Aboriginal economic activity is invisible to mainstream Canada. It also found that many Canadians continue to see Aboriginal people in historical terms and rarely see them in contemporary terms as capable of contributing to the development of their own communities let alone the rest of Canada. Many industry/sector organizations are starting to see Aboriginal economic development activity as an opportunity for their members to become involved in new markets, new products, new ways of doing business, etc. Some are actively encouraging their members to become involved with Aboriginal businesses for a variety of reasons. It is important that these efforts be encouraged and assisted as they can be the foundation of new enterprises and increased economic activity.

Given the complexity of the Aboriginal environment, the tasks facing economic developers become daunting and even more so when one begins to realize that progress will most likely be slow and difficult.

C. What Are the Possible Scenarios for Aboriginal Economies over the Next 20 Years?

Taking all of these factors into consideration, what is likely to happen over the next 20 years? How will Aboriginal economies develop?

This time frame sees the upcoming generation of young Aboriginal people entering the working-age cohort and the movement of the current generation of middle-aged Aboriginal people (25–40) into what demographers consider the most productive period of their lives. It is this

older group which will prepare the Aboriginal world for the younger cohort coming behind it.

This older cohort of people is demonstrating a great deal of innovation, creativity and persistence and seems willing to move beyond the confines of an Aboriginal identity centred on dependence and victimhood. This group appears to be no longer willing to wait for responses for governments to the problems facing Aboriginal peoples and hence go about devising their own solutions.

At the same time, there is still a significant portion of the Aboriginal community which is suffering from the dysfunctional effects of marginalization, exclusion, and racism. This colonial legacy will persist over the next generation and beyond. This group will continue to require government transfer payments in order to maintain a decent quality of life. There is a danger that without a sense that opportunities for significant and meaningful employment exist, many young Aboriginal people will experience high levels of frustration, resulting in either disillusionment and withdrawal from life and living or increased militancy and violence.

Taking into consideration the above factors, three scenarios for development are outlined. These scenarios are based upon different approaches to development support which may be adopted by governments. They are intended to stimulate discussion about the type of government intervention and programming that may be possible.

1. No Dramatic Changes over the Next 20 Years

In this scenario, little changes over the next two decades: the debate over self-government continues, progress on self-government is slow and difficult; a few land claims are resolved, no new treaties are signed and the treaty renewal process is stalled; governments as a result of continued expenditure restraint and reduction are unable or unwilling to provide more support for economic development.

Many Aboriginal people continue on the margins of the mainstream economy, using whatever government programs exist to marshal together small pools of capital to finance projects, etc.; business development continues mainly as small business, and few businesses grow to medium size ones. Those who have land claim settlements do well. They are able to use their resources to support in significant ways local economic development initiatives.

The existing mix of economy types remains fairly constant over this period: most economies remain type one with a few type two and three. Those **enclave** economies which are close to markets may be able to develop significantly but those in rural or remote areas continue to limp along. Without any mechanisms for tying Aboriginal economic planning to the surrounding economies, in either the enclave or interwoven economies, Aboriginal economic aspirations, activity and plans remains largely invisible. Without the development of significant economic development institutions in urban centres to advocate and facilitate economic development, **interwoven** economies continue much as they are, with continued economic marginalization of Aboriginal people from urban labour markets.

To make this scenario a reality, governments continue their current set of programs with little change in the nature of the programming. Economic institutions within Aboriginal communities are little supported and the main decisions about economic programming rests with the senior governments.

2. Remarkable Change over the Next 20 Years

In this scenario, some quite remarkable changes begin to occur: Aboriginal people begin to participate more fully in local and regional economies and in some areas become the dominant players; a network of medium sized businesses builds. The focus is on regional economies.

The current mix of economies shifts toward a greater proportion of type two economies as larger businesses begin to grow. In this scenario, Aboriginal communities are encouraged to work together to form larger groups which may be more economically viable, have greater access to skilled human resources, able to work more cooperatively with local economic planning groups, able to support larger enterprises. Interwoven economies are encouraged and assisted in the development of community economic development organizations which actively work on stimulating business development, seeking out employment opportunities with mainstream businesses, encouraging and offering training programs which help individuals to find jobs, etc.

In this scenario, governments take an active role in the development of ways and means to encourage Aboriginal groups to come together in larger trading blocks in order to participate more effectively in regional economies. In addition, efforts are made to encourage local and regional planning councils to include Aboriginal representatives. The focus of this activity is to make Aboriginal economies visible to the mainstream business community and to encourage joint activity as well as finding ways and means for the large sector of those in interwoven economies to participate more fully in local labour markets.

To make this scenario a reality, governments must adopt a pro-active facilitative stance and support the development of economic institutions within the Aboriginal community. The basic thrust of programs change from the provision of services to capacity building.

3. Fundamental Change over the Next 20 Years

In this scenario, there is fundamental change over the next 20 years: Aboriginal governments are established and have real power to develop their local economies, a network of small and medium sized businesses exists, large businesses begin to emerge financed through resources provided by the settlement of land claims.

This is the scenario envisioned by the Royal Commission on Aboriginal Peoples. It is based upon the restoration of power and authority over land and natural resources through treaties and the settlement of land claims. These actions would place significant natural and financial resources within the control of Aboriginal peoples and their governments.

To make this scenario a reality requires a pro-active, bold stance by governments in negotiating new treaties and speeding up the settlement of land claims. It also requires the further development of the infrastructure of economic institutions. This institutional development effort would focus on economic planning, strengthening access to capital and management and technical advice, linking Aboriginal economies to the mainstream local and regional economies, and matching human resources need and supply preparation.

In this scenario, much attention is focussed on the community and its economic institutions. In **enclave economies**, it may be the government, local businesses and economic development organizations; in **interwoven economies**, it may be the economic development organization which has the lead role in economic development.

Reviews of Current Books and Literature

Editor's Introduction

David Newhouse

There is a growing literature on economic development in the world. We will endeavour to bring you short reviews of the best and newest of this literature as well as opinions and commentary on older texts that may or not be still relevant to the contemporary situation. Our goal is to provide you information on books and articles that may interest those who are working, teaching or researching in this field.

This issue we bring you reviews of two books: Frank Tough's *As Their Natural Resources Fail*, an economic history of Aboriginal People's in Northern Manitoba in the early confederation period. It gives much insight into a long neglected subject matter and helps us to understand better the contemporary efforts in Manitoba in particular and Douglas Elias' *Northern Aboriginal Communities: Economies and Development* which focuses on the complex question of development in the north and issues surrounding identity and development.

We invite you to send us suggestions of books and articles that you have found useful and insightful and that you feel should be brought to the attention of others.

Book Review

Northern Aboriginal Communities: Economies and Development

by Peter Douglas Elias

(North York: Captus University Publications)

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Robert M. Bone

Aboriginal communities across Canada face a series of challenges. One challenge is high levels of unemployment while another is financial dependency on government. In northern Canada, these challenges are somewhat muted because northerners still engaged in harvesting food from the land. Known as country food, harvesting, processing and sharing of country food remains an essential pillar in the cultural and economic world of Indian, Inuit and Metis peoples living in northern Aboriginal communities. Yet even with this advantage, northern communities are confronted with many of the same problems and choices found in Aboriginal communities in southern Canada.

Between the covers of this book, the editor, Peter Elias, and his colleagues have addressed the broad but complex nature of economic development and its possible implication for northern Aboriginal communities by presenting a series of articles dealing with a variety of reactions to "development questions" faced by leaders of local communities and Aboriginal organizations. The basic theme running through this book is how do Aboriginal leaders help their communities to retain their Aboriginal identity and still benefit materially from being a member of the larger Canadian society. The essential question facing Aboriginal peoples is how can they generate sufficient cash income to support a village life-style similar to that enjoyed be non-Aboriginal peoples? Since their domestic economy based on hunting and trapping cannot generate such cash income, Aboriginal peoples and their leaders are searching for alternative forms of economic development. One alternative is to become more involved in the market economy. However, by increasing their involvement in the market economy as either individual wage earners or as Aboriginal-controlled businesses, the implications for their land base economy is often uncertain. As pointed out in the articles found in this book, Aboriginal leaders are often faced with conflicting issues whereby business opportunities threaten to diminish the land based economy either through damage to wildlife habitat or by weakening the collective nature of Aboriginal society through the creation of economic classes, thereby diluting "share ethic" basic to the domestic economy.

In this book, Northern Aboriginal Communities, Professor Elias has cobbled together a

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fine set of articles to illustrate three objectives. These objectives are: (1) to illustrate the importance of economic change in supporting and sustaining political and cultural development; (2) to illustrate the significance of economic development in a particular cultural and historic context — the North; and (3) to illustrate strategies and tactics used by northern communities, organizations, and individuals to achieve economic development.

The book is divided into five parts. In the first part, Elias describes the nature of northern communities, the next three parts of this book deal with case studies while the final section consists of an annotated bibliography.

Elias maintains that northern Aboriginal communities have a number of common characteristics. He defines these villages as having a small number of people but those people are almost all of Aboriginal origin. Most are young and the communities typically have very modest physical infrastructures. They are geographically isolated from other places, and possess a "mixed economy" where incomes are derived from a mix of domestic production based on hunting, fishing and trapping, wage labour, government transfer payments, and a variety of informal enterprises. He stresses the point that collective knowledge (such as represented by this book) could and should be used to inform both northern leaders and their members of the likely consequences of their development initiatives. In doing so, he sets the stage for the remaining articles. In these articles, the reoccurring themes are the conflict between resource development and wildlife habitat or the conflict between economic efficiency versus job creation. For Aboriginal leaders, entering the market economy demands solutions that lead to profitability not bankruptcy. Yet while such solutions increases the total collective wealth of the community and create a few executive positions, they neither resolved the massive unemployment problem nor the pressing need of families for a larger cash income.

The case studies deal with a variety of topics, ranging from issues of co-management of the environment by the Inuvialuit achieved through the Final Agreement to forest development by the Nipissing Indian Band to public housing at Old Crow. In the case of the Inuvialuit Final Agreement, the Inuvialuit gained considerable control over the environmental impact assessment process through a co-management structure. This marks a important shift of power from Ottawa to the Inuvialuit. On the other hand, the case study of public housing at Old Crow reflect the economic dependency of northern Aboriginal communities. At Old Crow as in almost all northern Aboriginal communities, there is a housing crisis — too few houses for the size of the community and no means of either building or maintaining modern housing by local residents. As Jansen points out, the housing program still reflects the dominant society's organization and values, forcing communities to try to fit the housing program into their cultural world. The net result is that a housing shortage remains, local residents are still unable to pay rent or maintain their houses, and officials in Whitehorse and Ottawa remain frustrated and puzzled by their inability to resolve matters.

The authors of these articles are Claudia Notzke, Ignatius La Rusic, Katherine Chiste, Gabriele Ferrazzi, David Murray, Charlyle Jansen and Wanda Wuttunee. All these case studies provide valuable insights but all are somewhat dated, that is they deal with the period prior to 1990. Given that the book was published in 1995 and that Professor Elias is describing contemporary issues in his lead chapter, readers would have benefit from a postscript for each case study. Such a postscript could have indicated how matters have change (or not changed) in the early 1990s.

In spite of this one weakness, Northern Aboriginal Communities deserves the attention of the serious scholar, students of northern Canada and the decision-makers living in northern Aboriginal communities and far away capital cities. While this book does not provide solutions, it does alert the reader to the possible impacts of economic development projects on local communities and their residents. As such, Professor Elias and his companions deserve full marks.

Book Review

'As Their Resources Fail' Native Peoples and the Economic History of Northern Manitoba 1870–1930

by Frank Tough

(BC: UBC Press, 1996)

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David Newhouse

'As Their Natural Resources Fail' is an important and critical text for anyone interested in the economic history of Aboriginal Peoples in Canada. It examines a subject area that is largely overlooked in most histories of Aboriginal peoples. Professor Tough's book focuses upon the formative years of northern Manitoba society, the years from 1870 to 1930. It is economic history, political economy, social history, legal history and political history woven together into an outstanding study.

Tough examines the transition from traditional subsistence economies of northern Aboriginal peoples to the merchantilism of the fur trade and then to the expansion of new northern resource industries of commercial fishing, transportation and lumbering and the market economy. He argues that Aboriginal peoples played important roles in this transition, that they were not the passive observers of events around them but rather that they responded in rational and creative ways to the new economic environment. Their effective participation, he argues as well, was repeatedly blocked by government policy and action.

Tough starts with an examination of the fur trade and the development of local economies based upon a mixture of traditional activities and merchanitilism, emphasising the relationship between the Hudson Bay Company and local Aboriginal peoples. He then proceeds to a discussion of treaties, the treaty-making process and its effects upon the economies in the area. He argues that treaties were a form of transfer of land from 'tribal commons' to state control to private control and that they were used to contain a 'progressive economic agenda advanced by Indians' After the period of treaty making and subsequent to the decline of the fur trade, he then documents the changing economy of the north and Aboriginal participation in agriculture, commerical fishing and transportation.

Tough has chosen to focus upon a particular area: Northern Manitoba from the northern edges of the Red River Settlement, the Interlake Region including the Pas and Cumberland House on the west and Norway House, Oxford House

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and York Factory on the East. This narrow geographic focus (albeit a broad economic focus across three different economic systems and 3 generations of people) allows for the development of a more detailed and nuanced picture than is generally shown. For the non-academic reader, the level of detail may seem unnecessary. It is through the details that the picture that Tough wants you to see emerges.

Aboriginal peoples knew what they were doing and knew what they wanted. They clearly understood the economic changes that were occuring around them, they participated in the fur trade and the new resource industries and agriculture and worked as labourers for wages. In some cases, they achieved standards of living that were at least equal to those of their white neighbours. They understood prices and markets and title to land. They understood the principles of business and knew how to get the best deal for themselves. Yet, we still encounter a familiar story: movement to the economic margins to make way for others.

Tough's work is important to those working in economic development and attempting to stimulate local Aboriginal economies. It points out that there is a history of Aboriginal participation in the market economy, that some of this participation has been successful and that Aboriginal peoples consistently acted to advance their own economic interests whenever possible. This is an important perspective to bring to economic development work. It counters the myth that Aboriginal peoples did not understand economics and were not involved in economic activity. It shows the long history of economic development activism and effort.

THE ROYAL COMMISSION ON ABORIGINAL PEOPLES

Editor's Introduction

Fred Wien

The Report of the Royal Commission on Aboriginal Peoples was released in November 1996 and marked a significant event in the history of the relationship between Aboriginal and non-Aboriginal Peoples in Canada. In its call for a renewed relationship, the Commission placed considerable emphasis on the need for economic development of Aboriginal communities, and for putting in place the conditions that would permit economic development to occur. These included major changes in areas such as self-government, lands and resources, treaties, and health and healing. The Journal of Aboriginal Economic Development plans to include a section on the Royal Commission Report in each issue. The intent is to offer a forum where the ideas of the Report can be communicated, where informed commentary can be encouraged, and where readers can be kept informed about the steps that are being taken to implement it.

With this issue, we make available the proceedings of a symposium held in the fall of 1997 and sponsored by CANDO and the Royal Bank of Canada. Titled "The Cost of

Doing Nothing: A Call to Action," the symposium featured presentations both by CANDO Education Committee members and by senior representatives of the Royal Bank of Canada. In addition, presentations made at the Symposium by the Minister of Indian Affairs and Northern Development, and by the National Chief of the Assembly of First Nations, are also included.

The Conference was notable for its central theme, which underlined the fact that a failure to change course in policy and relationship will be very expensive for Canada. Speakers made the case that, in John McCallum's words, "... the economic state of Canada's first peoples today is deplorable, 'the costs of the status quo to the public purse are high and rising, and that any costs incurred by the federal government in addressing these problems are a lot more affordable today than was the case just a few years ago'" in the context of the anticipated fiscal dividend.

HISTORICAL ECONOMIC PERSPECTIVES OF ABORIGINAL PEOPLES
Cycles of Balance and Partnership

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Kelly J. Lendsay

and

Wanda Wuttunee

I. INTRODUCTION

Seeking understanding of Aboriginal peoples' place in today's society and ultimately for the future means understanding the history that has brought us here. It is not the history that solely acknowledges the Euro-Canadian perspective that will bring this understanding but it is an holistic approach that also respects the Aboriginal world view. This strategy draws on "ways of knowing" that honor written and oral traditions and is blended with a spiritual element that promotes a full appreciation for both approaches. This paper combines the academic approach of transferring knowledge and information with the sharing of Aboriginal knowledge and wisdom. The focus is on economic development and in particular, governance and land, but it is presented within a context of the historical relationships that characterized Euro-Canadians and Aboriginal peoples.

An appreciation of the history of the Aboriginal presence in Canada is given little importance to most Canadians leading the RCAP Commissioners to conclude:

> Lack of historical awareness has been combined with a lack of understanding on the part of most Canadians of the substantial cultural differences that still exist between Aboriginal and non-Aboriginal people. Together these factors have created fissures in relations between the original inhabitants of North America and generations of newcomers. *They impede restoration of the balanced and respectful relationship that is the key to correcting our understanding of our shared past and moving forward together into the future.*[1] (Emphasis added)

The following sections examine the attitudes towards development and the ability to bring about development as circumstances have changed over time. But first, a brief look at the differences in perspective follows.

The objective of historians using a western science approach relies on written documentation

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to support an interpretation of events as a matter of "truth." A cross-cultural setting complicates the strategies for achieving the goal of accurate and "complete" understanding.[2] In accounting for all the events under investigation, historians in the western science approach weave their explanations with human beings at the core in a secular, scientific manner that maintains the split with spirituality advocated through the ages by Galileo, Descartes, Newton, Einstein and other philosophers.

Distinguishing the spirit, from every aspect of life including mind and body is one critical difference in approach between Aboriginal peoples and Euro-Canadians.[3] Aboriginal historical tradition honours stories, legends and explanations handed down from grandmothers and grandfathers. All of Creation including "those who have gone before" figure in the oral tradition. Cultural values are shared with the listeners, community issues are clarified, place of a family in the community settled and the broad requirements of a vibrant society are met through these stories.[4] Individuals in the storytelling circle have their own understanding of the story meaning that reflects the community, the circumstances and the interpretation being passed on. Oral accounts are not simply a detached recounting of factual events, but rather are "facts enmeshed in the stories of a lifetime"[5] leaving room for "many histories" with variations reflecting unique relationships within and among communities and with the environment.

Relationships to the past and therefore, the present and future, vary between these world views. The western scientific view of the past, present and future is linear and is held by most of Canadian society. One point follows the other with historical events being finished far removed from the present and the future having possibilities for new experiences based on past lessons. The relationship between Euro-Canadians and Aboriginal peoples, for example, exists today irrespective of past wrongs that are concluded but more in a spirit of the future possibility of improvement.[6]

If that line is joined (past, present, future) one end to the other, then the cyclical nature of time is observed. This explanation more fairly represents an Aboriginal perspective. "The circle returns on itself and repeats fundamental aspects of experience."[7] The "original relationship" between Aboriginal peoples and Euro-Canadians from the time of first contact to the end of the fur trade includes some examples characterized by respect, cooperation and an appreciation for each other's culture, both distinctions and shared characteristics.[8] However, this relationship is also characterized by disease, famine, conflict and paternalistic patterns towards Aboriginal people. This relationship sinks with the dying fur trade and the growing number of Euro-Canadians who overwhelm the land and the Original Peoples. The low point of dependence, colonialization and despair is endured and there is now "a slow upswing as efforts are made to *renew* the original relationships and to restore the balance that it represented."[9] The balance is characterized by respect and equality.

While the approaches to time and thus history are different, these differences are important,

> ... not because they represent absolute distinctions between people-cultural worlds are too rich and complex for that — but because they serve to illustrate, however inadequately, that there are different ways of expressing ideas that, at a deeper level, may have much in common.[10]

For the purposes of this paper, these differences in approach are acknowledged and the discussion of economic development within the context of the history experienced by Aboriginal peoples that follows, honors both perspectives.

II. ABORIGINAL PEOPLES: CHANGING RELATIONSHIPS

The discussion of issues of development and decision-making power is set out in four overlapping historical stages that follow each other but at varying rates and at different times for Aboriginal peoples living in regions throughout the country.[11] It is beyond the scope of this paper to give a full historical accounting of two societies but the pertinent history surrounding current economic development and governance issues will be addressed.

- **Stage 1 — Separate Worlds** Pre-contact where both societies developed separately under different influences of their environment until the point where contact is made and physical distance diminishes between Europeans and Aboriginal societies.
- **Stage 2 — Contact and Cooperation** Distinctions between both societies and acknowledgement of the ability of each to govern their

own members are maintained on a nation-to-nation basis. Cooperation when mutually beneficial occurs as members intermarry and trading and military partnerships are established. Disease ravages aboriginal populations while more European traders and settlers arrive.

- **Stage 3: Displacement and Assimilation** Mutual respect for distinctiveness breaks down and this period is dominated by interventionist attempts of Euro-Canadians to change Aboriginal societies resulting in residential schools and assimilation legislation under the Indian Act. Aboriginal people are displaced of their lands, resources and "rights." Aboriginal people resist these changes and seek a relationship defined by respect within a dominant culture. The White Paper [12]that would have removed all distinctiveness for Aboriginal peoples is soundly rejected.
- **Stage 4: Negotiation and Renewal** Failure of assimilationist and interventionist policy is recognized by mainstream Canada. A renegotiation of a relationship based on respect for differences and partnership is precipitated in a context of growing national and international pressure for change. The damage of years of domination must be healed by Aboriginal peoples. A journey of dialogue, consultation and negotiation has begun.

A. Separate Worlds

Prior to contact with European explorers, independent Aboriginal societies flourished across Canada's far North and from coast to coast. In a word, "diversity" best describes these nations in terms of social, cultural and political organization but with some common patterns that were shared by many if not all nations.[13]

> Some Aboriginal nations were able to accumulate wealth while others were not: some were more hierarchical than others; some had matrilineal rules of descent while others were patrilineal or bilateral; and some developed sophisticated confederal structures that grouped several nations together. That these patterns should vary by geographic region is not, of course, accidental, since the physical environment played a significant role in influencing culture and social organization.[14]

Europeans failed to see this upon arriving in North America. They assumed political sovereignty over Aboriginal nations and claimed title to the land that was barren, uninhabited and not being put to proper "civilized" use.[15] European philosophers have developed arguments in support of these initial claims. For example, the seventeenth century writing of John Locke identified Aboriginal people in an initial stage of historical development that all societies follow so he concluded,[16]

> A system of European commerce based on the motive to acquire more than one needs, satisfied by surplus production for profit on the market, is economically superior to the American Indian system of hunting and gathering, based on fixed needs and subsistence production, in three crucial respects: *it uses the land more productively, it produces a greater quantity of conveniences, and* it produces far greater opportunities to work and labour by expanding the division of labour.[17] (emphasis added).

This perspective illustrates some of the many distinctions between Aboriginal nations and European countries that were shaped by centuries of separation. Europeans and their relationship to land was most importantly for economic purposes. Taxation was integral to the survival of the powerful European monarchs of the time. Population pressures were another incentive to seek out new lands. The need for more resources, adventure, aggression and economic considerations were also driving motivators as were basic attitudes of superiority of civilization and religion.[18] In the Judeo-Christian view, the cosmos was dominated by a God in the image of man. This perspective put man in a privileged position since up to a certain point he can control nature for his own benefit.

In contrast, Aboriginal societies had a spiritual connection with the land that was borne out in their creation stories and traditions. Aboriginal belief systems focus on all of creation. All of life have spirits with human beings as only one small part.[19] "All our relations" calls on the spiritual connection to Mother Earth, the sky and all life. The connection with Mother Earth is the belief that all human beings have special responsibilities to cherish and protect Mother Earth. Humans were seen as part of a cosmological order depending on balance of reciprocating forces to keep the universe functioning in harmony.[20] Aboriginal wisdom of what amounts to sustainable development, was passed on orally from generation to generation.

Locke argues further that European production resulted in a greater quantity of conveniences. Admittedly technologies differed between continents and were a function of the challenges of the environment and different characteristics of civilization. In North America, the development of stone and bone tools indicated that human survival was viable only because of acute and careful observation of nature that is still a basic requirement today.

Dickason notes, the main activities for collecting food were through hunting, fishing and gathering. Gathering turned to agricultural domestication of plants slowly in a non-uniform way. It is hypothesized that dependence on collecting plants and fish may have influenced the development of agriculture. Fire was used to transform their habitat in some areas into an ambience suitable for deer in "deer parks," to control the movement of buffalo and to modify vegetation that would influence animals feeding patterns. Domesticated plants that contributed to world agriculture included: corn, potatoes, tomatoes, peanuts, pineapple, cacao and tobacco. For many historians, while farming developed in conjunction with hunting, they have tended to underplay and disregard Amerindian plant expertise and instead concentrate on pre-Columbian absence of farm animals and consequent dependence on hunting for meat.[21]

Botany was the major source of medicines (animals brought disease and plants provided the cures). More than 500 drugs in the medical pharmacopoeia today were originally used by Amerindians. Many of these skills and technologies were willingly shared after contact. For example, Basque whalers learned Inuit harpooning technology to increase their own effectiveness and Mi'kmaq expertise was used by Europeans in search of ivory, hides, and train oil.[22] Technologies developed in Aboriginal societies to meet the needs of the communities. Accumulation was frowned upon in contrast to developing European market economies.

The exception is on the West Coast where the skills to exploit a lush environment led to security, trade and leisure activities such as the potlatch ceremonies. Status, rights, claims, relationships were acknowledged and confirmed in these ceremonies that were hosted by a chief. The chief did not have authority but being a good and generous host brought respect and influence in village decisions. Accumulating goods for distribution at a potlatch might take years.[23] Some scholars have said this ceremony also resulted in a redistribution of wealth. In Aboriginal societies where surpluses were possible, accumulation of conveniences were more broadly distributed than in European society.

Europeans identified Aboriginal people as "uncivilized" without realizing the tensions existing in their own society.

> Not only did incredible opulence sit side by side with grinding poverty, but religious devotion also co-existed with greed and bloody warfare; humanist interest in scientific advance and new forms of artistic and architectural expression co-existed with religious and racial bigotry; and a willingness to accept female monarchs co-existed with the profound oppression of women in society at large. These contradictory tendencies existed as much within European states as between them.[24]

Aboriginal societies developed elaborate social and political structures around the nuclear and extended family. Families were grouped into bands, clans and communities that were part of nations.[25] The governance of nations was usually decentralized. Local representatives would come together or be sent to the councils of the nation.

Individuals were generally equal in councils of decision-making and discussions continued until consensus was reached. Leaders were allowed to speak on behalf of their people but not to act unilaterally or impose their will. Conflicts were resolved by finding a middle ground in a manner that respected different ways of achieving a particular goal.[26]

Diversity in social, economic and political organizations marked both Aboriginal and European nations prior to contact. The earliest contacts were made by fishers of French and English origin. Peaceful and cooperative relationships were struck between the Aboriginal peoples of the east coast and Europeans that shifted into a new system of relations based on treaties and trade.[27]

B. Contact and Cooperation

The survival of the whiteman in the new territories required the cooperation and support of the Aboriginal peoples. The survival skills, medicines, maps and ways of the land were imparted by the Aboriginal people to the new inhabitants. This section describes the new system of relationships

in response to the settlers need for military alliances and the control of the fur trade.

1. The Hudson Bay Charter 1670 and The Royal Proclamation 1763

A number of important events need to be examined with a view to understanding the perspective of the Aboriginal and non-Aboriginal people. As we have noted, the context and interpretation of these events varies between Aboriginal and non-Aboriginal perspectives.

The Hudson Bay Charter (HBC) was established in 1670 when King Charles II of England granted all the lands drained by waters flowing into the Hudson Bay to a group of merchants and aristocrats. The HBC set up along the Hudson Bay and traded furs with the Indians and Metis. Settlements such as Norway House, York Factory and Cumberland House were established in response to the expanding fur trade.

The Royal Proclamation of 1763 followed Britain's victory over France in the Seven Years War and was in part, a declaration of interest in North American Territory. The proclamation provided guidelines for dealings with Aboriginal people. For example, the proclamation stated that land acquisitions must be secured through purchase and that all unceded lands would be reserved as Indian hunting grounds. In addition, only a crown agent could purchase unceded land, which established a monopolistic relationship. "This monopoly has since been interpreted by modern courts to have created a fudiciary responsibility of the crown to the Aboriginal people."[28]

The Crown was legally inserted into all future land transactions in North America. Indian interests in land were recognized and there was an acceptance that Indians held rights of possession somewhat similar to European property rights (titled property). Recognition was also given to the claims of Indian bands and tribes to sovereignty.

The existence of the Royal Proclamation of 1763, which recognized Aboriginal title to land, forced the crown and later the Canadian government, to take a special approach to securing land entitled to Aboriginal peoples.

2. Economic Cooperation: 17th and 18th Century[29]

The fur trade prospered for over 200 years and was only made viable by the cooperation, assistance and partnership with the "*old inhabitants*," of the land. The economic fortunes of the day were in furs and benefitted the Metis, First Nations and non-native people.

For example, the complexity of economic activities and the seasonal activity of life at Norway House is captured in the circular diagram (see Figure 1). Norway House had administrative and transportation functions. It was the logical place to build York boats. Boat building and oar making required green wood, which was drafted downriver or hauled by oxen.

As the local economy became more diversified and complex, more buildings were needed. This in turn created a greater demand for labour, for maintenance, and for firewood. All of these activities created a greater demand for native labour.

Boat building was a major economic stimulus and summer freighting employed native labour. Diversified resource use supported a local economy that included transportation of trade goods and furs, the construction and repair of boats and buildings (which required skilled labour), and the procurement of a variety of country provisions.[30]

The labour force had to be fed and this was accomplished by planting several gardens, hunting a variety of game, importing some foods, and fishing throughout the year. Table 1 summarizes the imported food requirements. These food imports were developed by the fur trade companies as a way to reduce the need for a subsistence lifestyle. This in turn allowed Native people to spend more time on the commercial fur trade, which of course was in the best interests of the company.

The idea that subsistence and exchange create a single economy is the most appropriate characterization of the Native economy at the time treaties were made. Tension existed between commercial and subsistence activities. Subsistence production encouraged autonomy for Natives, while commercial production most obviously served the Hudson Bay Company's drive for mercantile profits. In the long run, the perspective that local native economies were part of a unified, single economy provides insights into the changing relationship between Native people and external agencies.[32]

C. Displacement and Assimilation

This section discusses the changing relationship between the "old inhabitants" and the Hudson

FIGURE 1

Arrival/Departure of Indians

Various tradesmen at work, making such items as buoys, packing cases, and casks, as well as repairing guns and traps.

TABLE 1
York Factory Rations and Country Provisions: 1873[31]

Fish	40,898	Rabbits	424
Partridges	14,866	Gallons of Cranberries	110
Pounds of Venison	15,673	Whales for dog food	27
Geese	2,793	Plover	30
Ducks	899		

Bay Company, the settlers and the Dominion of Canada government.

1. British North American Act of 1867 and Rupertsland Order of 1869

Central Canada was cognizant of Britain's guidelines for dealings with "Aborigines." The framework for these guidelines is described in the Royal Proclamation of 1763 and reaffirmed in the British North America Act of 1867. The British North America Act of 1867 allowed Upper and Lower Canada to expand their political influence in what was to become the Dominion of Canada.

> Several legal documents need to be examined and considered to understand how the Canadian nation state, the Dominion, approached Aboriginal people at the time

of the transfer of Rupertsland to the Dominion of Canada. The documents that laid out the framework for transferring Rupertsland were scheduled with the Imperial Order-In-Council, which admitted Rupertsland and the Northwestern Territory into the Canadian federation (The Rupertsland Order). Such an analysis provides a means for understanding the subsequent change to law and political economy. The 1867 address to the Queen from Canadian Parliament stated:

> In the event that your Majesty's Government agreeing to transfer to Canada the jurisdiction and control over the said region, the Government and Parliament of Canada will be ready to provide the legal rights of any corporation, company or individual within the same shall be respected, and placed under the protection of Courts of competent jurisdiction. And furthermore that upon the transference of the territory in question to the Canadian Government, the Claims of the Indian tribes to compensation for lands required for purposes of settlement will be considered and settled in conformity with the equitable principles which have uniformly governed the British Crown in its dealings with the Aborigines.[33]

This address acknowledged all the entities that existed as part of Rupertsland society and a commitment was made to protect each of them — corporate interests (Hudson Bay Company), individual titles (the Metis river lots at the Red River Settlement), and Aboriginal title.[34]

The terms of sale of Rupertsland from the Hudson Bay Company to the Dominion of Canada included 35 million dollars and 1/20th of all future surveyed townships in the prairie provinces. The sale of this land eventually netted profits of 96 million dollars for the company.

The Aboriginal interest in land was acknowledged in the Rupertsland Order. In the Deed of Surrender, which embodied the agreement between Canada and the Hudson Bay Company, there is a recognition of Aboriginal property interests.

The sale of Rupertsland by the Hudson Bay Company to the Dominion of Canada allowed the company to abdicate its traditional responsibilities towards Indian people (these responsibilities have their origins from the Charter 1670 and Royal Proclamation 1763). Canada's legal obligations to Aboriginal people were situated in the negotiations that were concerned with the type of financial capital and economy that would dominate the region and the political system that would manage new economic relationships. In a request to the Queen — namely, the 1869 Address to the Queen — the Canadian Government re-affirmed the acknowledgment of Aboriginal interest:[35]

> That upon transference of the territories it will be our duty to make adequate provision for the protection of the Indian tribes whose interests and well-being are involved in the transfer, and we authorize and empower the Governor in Council to arrange any details that may be necessary to carry out the terms and conditions of the above agreements.[36]

> The Rupertsland Order is not some ancient document, but rather it provides a standard for understanding the economic history post 1870. It is at this juncture in history that two claims exist in Rupertsland. An Aboriginal claim based on possession, inherent rights and the Royal Proclamation of 1763; and a mercantile property claim based on the Hudson Bay Charter of 1670.[37]

The displacement and assimilation of Aboriginal peoples continues as colonial governments impose acts, regulations and legislation on the indigenous peoples. The level and amount of conflict continues to rise. Fundamental questions of whose land was it in the first place, what rights did HBC have to sell this land, and how are Aboriginal rights protected have for the most part been left unanswered.

2. *Treaty Making Process*[38]

There is a great deal of uncertainty about the treaties and what these treaties mean to Aboriginal people and non-Aboriginal people. The first treaties between Europeans and Indians were treaties of peace and friendship, signed between the 17th and 18th century, when North America was the site of military conflicts between Netherlands, Spain, England and France. To achieve military and economic objectives, European trading companies and governments sought support from Aboriginal allies. The primary purpose of the treaties was to gain the cooperation of the Indian peoples to consolidate control over the fur trade and to reinforce military supremacy in the fur trade.

The Royal Proclamation of 1763 influenced the subsequent treaty making process. The existence of the Royal Proclamation, which recog-

nized aboriginal title to land, forced the Crown and later the Canadian government to take a special approach to securing land entitled to Aboriginal peoples.

The special approach was the land surrender treaty. Eleven numbered treaties were signed in Canada, which were intended to formally alienate most of the land in Canada. From the perspective of the government, these treaties facilitated the legal surrender of the Indians land in return for annual cash annuity payments, reserve land, assistance for agriculture, schools and health services.

First Nations people viewed treaties as a way to share the land, given to them by the Creator, with the new settlers. Many leaders view the treaty making process with a sense of sacredness. Many leaders believe that the Creator guided the Indian negotiators. The treaty making process began and ended with Indian ceremony, consummating the spiritualness of the agreement between First Nations and the Crown.

First Nation oral tradition points to a discrepancy between verbal agreements and those contained in the written record. For example, in treaty 8, Indian signers felt that the government agreed to provide them with medical care and education for their children, but no such provisions existed in the written text. Words like *surrender, cede, and convey* have no Cree word but have a precise legal meaning in non-aboriginal legal systems.

Indian negotiators had to rely upon the honour and good intentions of the Crown to act in the best interest of Indian peoples. The negotiators clearly knew that they would have to rely on the force of the treaties to establish the Crown's responsibility to assist their efforts to adapt to the new world developing around them — a different economy, different education, and skill requirements and vastly different social norms and values.

Disease and famine were spreading. Seeing their way of life coming to an end with the encroachment of the European settlers, and seeing the decline of the fur trade and the diminishing size of the buffalo herds, the leaders who signed the treaties knew that adjusting to the new reality would be very difficult.

> *First Nations view the treaties as a two way agreement — they are Canada's treaties as much as they are First Nations.* The First Nation interpretation of treaty rights includes the following: right to First Nation Government; institutions; lands, waters and resources; education; social assistance; police protection; hunt, fish, trap; tax exemption; to meet in council and to cross international borders.[39]

3. The Indian Act: 1867

The original policy of the Indian Act was to assimilate Indians or, more specifically, to strip Indians of their traditional, social, economic and political systems. The first Indian Act was enacted in 1876 and it defined, in general terms, the Indian and federal Crown relationship. This relationship is structured by the Minister of Indian Affairs overseeing the implementation of individual treaty obligations, the registration of Indians and the protection of Indian land bases or reserves. It encompasses the provisions of numerous treaties, regulates the life of Indians from birth until death and directs community activities in all areas.

□ CHANGING TRADITIONAL WAYS

The Indian Act initiated the system of "bands" and "band councils" and as a result the band council was the only recognized legal organization.[40] The government desired all Indian bands to follow an electoral system of governance regardless of the traditions that had been developed by different First Nations across the country. This did not match with traditional systems of governance and was met with great resistance. However, the government's goal was uniformity and assimilation which could be better achieved by eliminating tribal systems.

According to the Act of 1876, there was to be one chief for every band of thirty members, or in the case of larger bands, in the proportion of one chief and two second chiefs for every 200 people. The chief's period of office was for three years, but he could be removed for "dishonesty, intemperance, or immorality" at the discretion of the department.[41]

The councils held "delegated" powers (from Indian Affairs), but could not be considered a government fully accountable to the band population. This action was an attempt to destroy the legitimacy of Indian governance and make the band council an administrative extension of the Department of Indian Affairs.

In 1884 the elaborate feasts of the Northwest Coast Amerindians, known under the general label "potlatch," were banned, as well as dances associated with religous or supernatural

rituals. This was done under the pressure of missionaries and government agents. In 1895, the "sun dances" of prairie Indians were prohibited as well as all ceremonial endurance features that authorities did not consider acceptable.

In Manitoba, the North-West Territories and Keewatin District, Natives who signed treaty were forbidden from acquiring lands by homestead; this was to prevent them from claiming both a share of a reserve and a homestead. In British Columbia, Indians were similarly excluded from acquiring homesteads, but without the protection of treaty.

□ IMPEDIMENTS TO DEVELOPMENT

Numerous practical problems have arisen from the antiquated nature of the Indian Act. The main difficulties relate to the Minister controlling the exercise of all powers, the control of lands, the Department's guardianship role over trust funds, the lack of legislative powers of bands in the fields of social and economic development and, finally, the legal status of band councils.[42]

Reserve lands are legally "Indian property" but fall under various, rather obscure categories: "a tract of land, the legal title to which is vested in Her Majesty, that has been set apart by Her Majesty for the use and benefit of a band." The Indian Act provides for cases which prohibit seizures of an Indian's personal property on a reserve. These stipulations have historically limited normal commercial transactions, such as pledges and other forms of loan or credit based on guarantees.

Indians could not vote until 1960. An Indian had to acquire a "pass or permit" from the Northwestern Mounted Policy in order to leave the reserve or face persecution (fine, jail or both). Indians could not hire a lawyer, own property or pledge collateral on reserve eliminating the possibility of securing loans for development. Early successful farmers had to succumb to the department's directive that all grains must be sold through the Indian agent.

□ TAXATION[43]

"If you believe what you hear on the street, Indians in Canada don't pay tax. This is one of the myths and misunderstandings that surrounds the issue of taxation and Indians in Canada."[44] Although Indians, Metis and Inuit are all Aboriginal peoples, the tax advantages stemming from the Indian Act only accrue to Indians. Metis and Inuit receive no such special treatment under the Indian Act, although in some cases, tax exemptions may be negotiated through talks regarding self-government and comprehensive land claims.

Article 87 of the Indian Act provides the basis for the tax exemption granted treaty Indians. However, article 87 must be considered along with article 90, which defines the notion of "Indian property," and article 83, which assigns a specific field of taxation power to band councils. The combined effect of these two articles limits the tax exemption to property situated "on a reserve" (article 90), representing the interest of an Indian or band on a reserve.

In interpreting the fiscal arrangements granted to members of First Nations through the Indian Act, Revenue Canada generally grants a total exemption on income tax which Indians earn on a reserve. First Nations working off reserve for a non-native entrepreneur, for example, will be subject to income tax like any other citizen. However, if they exercise their profession off reserve for a business or company with a head office on the reserve, they may be exempted from income tax.

An incorporated business cannot be considered "Indian," even if all the shareholders are registered Indians. It constitutes a corporation and must pay income tax. However, Indian shareholders and employees of this enterprise will be exempted from income tax on any dividend or salary received from the enterprise. With respect to band councils, according to Revenue Canada's interpretation, they are exempt from income tax, since they exercise powers similar to those of Canadian municipalities. Only Indians and Indian bands are exempt from tax. Corporations, trusts, and other organizations are not exempt by virtue of the Indian Act because they are not Indians or Indian bands.

□ FUTURE

The Indian Act of 1876 revamped pre-confederation legislation of the Canadas into a nation-wide framework that is still fundamentally in place today. First Nations leaders and government are seeking changes to the Act that will eliminate or reduce many of the historical barriers to development.

4. Métis Scrip[45]

Historically, the Metis played two significant roles: their economic role in the establishment,

growth and development of the fur trade and secondly, their role in the decolonization of the British North American territories (Rupertsland).

Sir John A. MacDonald's government of the day had no plans for the Metis to continue their influence in Rupertsland. MacDonald's agriculture policy for the West was being implemented to deliver the necessary raw inputs to the manufacturing heartland of Ontario and Quebec. The agriculture policy of MacDonald was intended to make the west the producer of raw materials, entirely dependent on eastern manufacturing, which left the west extremely vulnerable economically because of its lack of diversification.

The Metis are regarded by historians as leading the way for responsible government in the west, and they believe responsible government came to the west as quickly as it did as a direct result of the two uprisings in 1869 and 1885. These rebellions were against the western annexation policies of the Canadian Government. However, responsible government, elected locally, was not the goal of Sir John A Macdonald.

The Metis List of Rights, sent to Ottawa in 1869 began with: "That the North West Territory enter confederation as a province with all the privileges common to the different Provinces of the Dominion." Federal response was military force and was quashed by the Metis of the Northwest. The uprising did lead to the passing of the Manitoba Act (1870) and establishment of responsible government for that province.

Peace and order endured for the next 10 to 12 years. Promises were made by the Federal Government for aid, development, land settlement, treaty obligations, etc. ... but the majority of these promises were never fulfilled. Lack of opportunity, disease, famine and increased settler pressures forced many Metis to disperse from Red River to their new homelands in what is now today Saskatchewan and Alberta.

The 1885 rebellion in Saskatchewan was virtually a repeat performance of 1870. The demand of the Metis and Prince Albert settlers were the same. A number of grievances were filed by the Metis all of which are well documented. For example, the Dominion Survey Act was enacted without consultation with the Metis or First Nations. Metis and other settlers were accused of being land squatters and forced to leave lands they developed. Eastern settlers took up new homes under the auspices of the Homestead Act that allowed new settlers to take up residence and land.

The government's scrip system was devised as a ways of extinguishing Metis land rights. It must also be pointed out that a number of First Nations opted for scrip but had to forgo their treaty rights. There were two types of scrip: land scrip and money scrip. The scrip was quickly purchased by speculators, lawyers and chartered banks. The amount of Metis Lands that were purchased from them for far less than face value is staggering — numbering in the millions of acres.

According to scrip registers, the majority of land was purchased by banks and financial institutions. Between 1885 and 1898, land was purchased at 30 cents on the dollar on average for both money and land scrip. Less than 10% of all scrip issued was retained by the Metis for whom it was written.

As settlement slowly crushed the fur trade, the Metis were displaced. There is well documented archival evidence that establishes how British and Canadian wealth was generated through the scrip system. Table 2 illustrates in

TABLE 2
Distribution and Delivery of 26,000 Northwestern Metis Scrip Notes[47]

	%	*Scrip Notes*
Metis	11	2800
Dominion Land Agents	8	2100
Small Speculators	12	3100
Private Institutions & Large Speculators	17	4500
Chartered Banks	52	13500
TOTALS	100	26000

one analysis of land scrip registrar that less than 10% ended up in the hands of Metis.[46]

Most of the 1.4 million acres, set aside by the Manitoba Act for the Metis, slid into the hands of chartered banks via the scrip transactions. Scrip fraud and scrip inconsistencies had increased tremendously. Metis lawyers began taking these actions to court and were winning successful judgements. As a result, in 1898, Manitoba had legislation changed to make it illegal to bring scrip cases before the courts, basically eliminating any chance for Metis to correct the injustices that were occurring.

With the displacement of the Metis, the decline of the fur trade, overtaken by settlement of immigrants, and victims of a land fraud schemes that most could not fight, the economic and social conditions of the Metis declined drastically.

With the Indians, the Metis came to share many of the characteristics of a minority group. They experienced discrimination in the labour market, the general economy and in social life generally.

D. Negotiation and Renewal

1. Where We Find Ourselves Today

Government policies of domination and assimilation deeply affected the well-being of Aboriginal people and their communities. The signs of devastation were registered across Canada in terms of poverty, illness and social dysfunction.[48] Survival as individuals and as nations was a life and death fight, with the battle against assimilation, an added trial.

Significant government policy, legislation and court decisions are driving relations during this period. Twenty eight years ago, the White Paper on Indian Policy of 1969 ignited a fire of resistance among many Aboriginal people across the country. The Government of Canada proposed abolishing the Indian Act within a five year period, dissolving reserves and assimilating Indians into Canadian society.

> First Nations were nearly unanimous in their rejection. They saw this imposed form of "equality" as a coffin for their collective identities — the end of their existence as distinct peoples. Together with Indian and Métis, they began to see their struggle as part of a worldwide human rights movement of Indigenous peoples. They began to piece together — nations within Canada — and to speak out about it.[49]

A growing consciousness among Aboriginal people and their leaders meant a fundamental awakening for a change in relationship with the rest of Canada. Reaction to the White Paper was swift and strategies were put forward by Aboriginal political organizations that encouraged an holistic approach to increasing self-sufficiency under the direction of Aboriginal people so that individual and community interests would be honored.

International organizations were begun with active participation by Canada's Aboriginal people. The objective of the World Council of Indigenous Peoples was, "... Battle against all the forces of assimilation and try to build your nations economically, culturally and politically. Consult the people, politicize the people and never get too far ahead of them, because when all is said and done, they are your masters."[50] These words urge an active role for Aboriginal people that has marked this move towards self-determination.

In terms of economic development, reports aimed at influencing government policy have re-affirmed recommendations that urge a policy of self-direction within Aboriginal communities that build on an inherent right to self-government.[51] This inherent right was recognized by the federal government in 1995.

> In a short period of 27 years, from the White Paper in 1969 to the Royal Commission in 1996, we have moved from an official government policy of termination and assimilation to a reluctant acceptance of the inherent right of self-government. This is a remarkable achievement in such a short period of time. When we look around at our communities, these achievements are masked still by the poverty and its effects that we see in most places and we often forget what we have achieved and how we have achieved it.[52]

Progress has been made but challenges continue for all Canadians. Aboriginal individuals, their communities and nations have successfully established businesses, joint ventures and partnerships; found innovative financing; provided income support and delivered education and training. (RCAP vol. 2, part 2:776). Major comprehensive and specific land claims have been settled including claims in Quebec, Northwest Territories, Yukon, BC and Saskatchewan. These

agreements provide access to new human, financial and natural resources for economic development that was missing for hundreds of years. Services are now available for training, education, business start-up, Aboriginal women's businesses, and accessing capital. These organizations are Aboriginal and non-Aboriginal profit, non-profit and public.

> In many parts of the country, there is a realistic appreciation of the enormous challenges still ahead but also a spirit of determination to regain stewardship of Aboriginal economies and to develop them in accordance with the priorities of particular communities and nations (RCAP vol. 2, Part 2:776).

This is just the beginning. Continuing challenges include inadequate funding for existing services in education, training, access to capital, development of management skills, inappropriate interference and undefined authorities of Aboriginal governments, inappropriate interference by business in governmental affairs, overt and insidious racism, not enough big businesses, too little aftercare for new businesses etc.(Newhouse, 1997).

Another challenge facing many Aboriginal people is to integrate traditional teachings with western business and is described by Mark Wedge:

> One of the questions we had regarding the mandate of the organization I work with (Yukon Indian Development Corporation) is: How do we integrate these traditional values into the contemporary way of doing things, contemporary business components? I think that is the challenge that we have been trying to work with: How do we gain this knowledge and wisdom from the Elders, from the people, and try to incorporate it in a manner that is understandable to European cultures or to the western cultures? ... we have always looked at renewable resources or animals and plants as our livelihood, and the question is: How do we share that livelihood? Often times it is done through Elders saying which one should get which part of the meat.... Coming from the European system, what they did is they shared their harvest initially ... and then it moves into a tax. As we move into a money society it moves into a tax structure.... *I think it is up to the individual communities and peoples to start defining how they are going to share.*[53] (Emphasis added)

Many Aboriginal people want to blend their culture with western approaches, not lose it. Cultural concerns are but one aspect of the critical interrelationships between economic development and health, education, self-worth, functioning communities and stable environments for individuals and within the collectivity of aboriginal communities. RCAP notes:

> Ultimately measures to support economic development must reach and benefit individuals, but some of the most important steps to be taken involve the collectivity — for example, regaining Aboriginal control over decisions that affect their economies, regaining greater ownership and control over the traditional land and resource base, building institutions to support economic development, and having non-Aboriginal society honour and respect the spirit and intent of the treaties, including their economic provisions.[54]

Recognizing these hurdles, Aboriginal approaches to economic development emphasize:[55]

- Development is a broad concept that incorporates governance, culture and spirituality but reflects unique community requirements.
- Integrated approaches are preferred as opposed to segmented, independent programs.
- Self-government and sustained economic development are integrally linked to each other.
- Individual needs to relate to mainstream society are uniquely balanced with development of community and nation.
- Traditional economies make an important and continuing contribution to some modern Aboriginal economies.

The final section summarizes the history of Aboriginal peoples focussing on current economic development issues and practices.

III. CHOICE OF PATHS

A. Status Quo

Upon reflection, Canadians face two paths. They may choose the status quo in their relationship with Aboriginal people or they may choose to renew the partnership that began at the time of contact. Status quo has serious financial and human consequences as articulated in the Final Report of the Royal Commission. Partnership will mean significant financial consequences but

Aboriginal people and the rest of Canada will have a future of mutual support and equality not enjoyed in centuries.

The current status quo for Aboriginal people is characterized by large economic, education and social gaps. Lower income levels, extreme rates of unemployment, proportionately higher percentage of social problems and under-educated people must be overcome. This gap will continue to grow unless steps are taken to slow down and reverse the increasing discrepancy between Aboriginal and non-Aboriginal people.

The growth of Aboriginal education, economic development and business initiatives are essential strategies to changing the status quo. It is promising to see a number of Aboriginal initiatives that are leading to positive changes.

One of the single most important areas is in the field of education. In Saskatchewan, 60.4% of Aboriginal students do not complete high school compared to 44.5% of non-Aboriginal students. Another 41.7% of Aboriginal students received some type of post-secondary training compared to 55.3% of non-aboriginal people.[56]

> Educational requirements of employment in Saskatchewan is similar to that of the whole of Canada. Employment of people with less than a high school education decreased by a large amount, –3.4% per year. But employment of people with some education after high school increased by 3.1% per year. Employment prospects for people with a high school diploma decreased moderately.[57]

The future jobs in Canada require education and training. In order to close the employment, income, economic and social gaps, we need to close the aboriginal education gap.

B. Partnership for Change

In considering the significance of economic development strategies, Georges Erasmus, Co-Chair of the Royal Commission on Aboriginal Peoples, notes:

> 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.[58]

Many challenges and barriers face Aboriginal people. They cannot be alone in this initiative if they are to make fundamental changes to their reality and significant contributions to Canada's economy. Canadians are asked to join in partnership to change the status quo that is no longer acceptable.

Government and corporate partners are increasingly acknowledging their role. In Manitoba, Premier Filmon indicated in the most recent throne speech that a priority for the coming term is working in partnership with First Nations representatives and with the private sector on meeting the educational challenges facing aboriginal people who want to take advantage of and realize these opportunities. Business leaders recognize that all Manitobans will benefit from Aboriginal youth who are able to fully participate in the economy. With one in four people entering the Manitoba labor force in the year 2000 forecasted to be of aboriginal heritage, Aboriginal people with management skills will take an active role of benefit to their communities and to all Canadians. Kerry Hawkins, President of Cargill Ltd. states:

> If we fail to bring you, educated native youths into the economic mainstream, the consequences for Manitoba are frightening. As a society our ability to maintain a high standard of living will depend critically on the productivity of new entrants into our labour force.[59]

NOTES

1. Report on the Royal Commission on Aboriginal Peoples. *Looking Forward, Looking Back*. Ottawa: Canada Communication Group, Vol. 1 (1996): 32
2. Ibid: 32.
3. Elmer Ghostkeeper (Métis philosopher and scholar; MA). Personal Communication with W. Wuttunee, Devon, Alberta (March 2, 1997).
4. RCAP vol. 1: 33.
5. Julie Cruickshank. “Oral Tradition and Oral History: Reviewing Some Issues,” *The Canadian Historical Review* LXXV/3(1994): 403–418 in Report on the Royal Commission on Aboriginal Peoples. *Looking Forward, Looking Back*. Ottawa: Canada Communication Group, Vol. 1 (1996): 33.
6. Ibid: 34.
7. Ibid.
8. Ibid: 35.
9. Ibid.
10. Ibid: 35.
11. Ibid: 37–39.
12. The White Paper was introduced in 1969 by the Government of Canada as a new statement of Indian policy. It proposed a new relationship with Indians.

13. Ibid: 86.
14. Ibid.
15. Ibid: 44.
16. This passage is from a summary by James Tully, professor of philosophy, McGill University Ibid.
17. Ibid: 45.
18. Ibid: 88–89.
19. Ibid: 86–87.
20. James Miller. *Skyscrapers Hide the Heavens: A History of Indian-White Relations in Canada* (Revised Edition). Toronto: University of Toronto Press, 1991.
21. Ibid: 33.
22. Ibid: 54.
23. RCAP vol. 1: 74–75.
24. RCAP vol. 1: 88.
25. Ibid: 87.
26. Ibid: 87.
27. Ibid: 90.
28. Presentation by Mary Ellen Turpel-Lafond, SaskEnergy Aboriginal Education Series, 1996.
29. Portions of this report and specific sections are taken from Chapter One, "*As Their Natural Resources Fail,*" by Frank Tough (Vancouver: UBC Press, 1996).
30. Frank Tough. *"As Their Natural Resources Fail." Vancouver:* UBC Press, 1996, pp. 21–25.
31. Ibid: 29.
32. Ibid: 42.
33. Order of Her Majesty in Council Admitting Rupert's Land the North-Western Territory into the Union (Court of Windsor, 23 June 1870), Address to Queen, 16 and 17 December 1867, Schedule A. Reproduced in E.H. Oliver, *The Canadian North-West*, Vol. 2 (Ottawa: Government Printing Bureau 1915), 946. *(Hereafter referred to as Rupertsland Order)*.
34. Doug Sprague, Metis Land Rights Research Group meeting, Vancouver, May 1993.
35. Frank Tough. *"As Their Natural Resources Fail." Vancouver:* UBC Press, 1996, p. 10.
36. Rupertsland Order, Address to the Queen, 29 and 31 May 1969, Schedule B. pg. 954.
37. Frank Tough. *"As Their Natural Resources Fail." Vancouver:* UBC Press, 1996, p. 12.
38. Taken from the SaskEnergy Aboriginal Education Series.
39. Taken from a presentation to the Chamber of Commerce by Chief Blaine Favel, Federation of Saskatchewan Indian Nations, 1996
40. Changes in the Indian Act Legislation eventually allowed for some custom elections to take place.
41. Olive Patricia Dickason. *Canada's First Nations: A History of Founding Peoples From Earlier Times*. Toronto: McClelland and Stewart, 1992, p. 285.
42. Harold Bherer, Sylvie Gagnon, and Jancinte Roberge. *WAMPUM and Letters Patent: Exploratory Study of Entrepreneurship*. The Institute for Research on Public Policy, 1990, p. 10.
43. Ibid.: 14–15.
44. First Nations and Canadian Taxation. KPMG. Second Edition, 1997, p. 1.
45. The following is taken from the SaskEnergy Aboriginal Education Series, 1994.
46. In Norway House, it is estimated that less than 1% of Metis lands ended up in Metis control and title.
47. Gabriel Dumont Institute Research Department. L. Dorion and F. Tough. 1995.
48. Ibid: 17.
49. Report on the Royal Commission on Aboriginal Peoples. *People to People, Nation to Nation: Highlights from the Report of the Royal Commission on Aboriginal Peoples*. Ottawa: Canada Communication Group. RCAP Highlights (1996): 17.
50. Peter McFarlane, *Brotherhood to Nationhood: George Manuel and the Making of the Modern Indian Movement* (Toronto: Between The Lines, 1993): 1 in RCMP vol. 1: 205.
51. See Beaver Report, 1977; Penner Report on Indian Self-Government, 1982; and Royal Commission on Aboriginal Peoples, 1996.
52. David Newhouse. *Charting the Way Forward: A Review of Economic Development Progress since 1969*. Presentation at the Council for the Advancement of Native Development Officers' National Conference, Montreal, Quebec, September 25, 1997.
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54. Ibid: 777.
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56. 1991 Aboriginal Peoples Survey.
57. Kelly Lendsay, Marv Painter, Eric Howe, *Saskatchewan and Aboriginal Peoples in the 21st Century: Social, Economic and Political Challenges*. Chapter 3.0, Impact of the Changing Aboriginal Population on the Saskatchewan Economy. Printwest, 1997, p. 87.
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THE ROYAL COMMISSION REPORT
Nine Steps to Rebuild Aboriginal Economies

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Fred Wien

INTRODUCTION

The Royal Commission on Aboriginal Peoples tabled its final report in November last year. With this step, the seven Commissioners and their staff concluded five years of work, including three rounds of public hearings in over 100 communities, receiving the advice of 140 intervenor organizations and individuals, and integrating the results of some 340 research reports.

The extent of this inquiry into the relationship between Aboriginal and non-Aboriginal people in Canada is without parallel, driven by a very broad mandate recommended by the former Chief Justice of the Supreme Court, Brian Dickson, and accepted by the Government of Canada. The breadth of the mandate, which covered 16 major areas, made this one of the most far-reaching commissions in Canada's history. It also contributed to a major strength in the Commission's report, for it was required to deal with the whole of the picture and the interrelationship of the parts, in a manner that is congruent with the more holistic perspective of Aboriginal peoples. It should not be surprising, therefore, that the Commission's perspective on economic matters goes well beyond the narrow, technical aspects of business development or the intricacies of providing income support. It is a perspective that begins with the history of the relationship between Aboriginal and non-Aboriginal peoples, and one that takes continuing cultural difference into account. It is also one that charts the interrelationship between the economic realm and other important dimensions of life.

This paper has three objectives:

- to give a brief description of different types of Aboriginal economies, so that the diversity and complexity of the task of achieving economic development is better understood
- to discuss some of the pre-conditions for rebuilding Aboriginal economies. What factors need to come together for economic development to have a good chance of success?
- to give an overview of the perspective and recommendations put forward by the Royal Commission in its final report on the concrete steps that need to be taken to rebuild Aboriginal economies

A WORD ON POLICY CHOICES

The history of the relationship between Aboriginal and non-Aboriginal people in Canada is full of misguided policy choices. On the Aboriginal side, Aboriginal people like to joke that their most basic policy failure was to adopt an immigration policy that was much too liberal in permitting Europeans to enter North America, with disastrous consequences. On the non-Aboriginal side, Volume 1 of the Royal Commission report

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documents many examples of what those of us who worked for the Commission called "bad policies." These included the Indian Act, residential schools, the relocation of Aboriginal communities, and policies toward Aboriginal veterans.

If we were to add to this list, a prime candidate would be the policy choices that contributed to the undermining of Aboriginal economies in the past two centuries, and the response to that situation primarily in terms of the creation of welfare economies. A brief historical digression clarifies this argument.

The first paper in this volume has made the point that Aboriginal nations were relegated to a marginal status once the fur trade declined and their role as military allies receded. A period of assimilation and displacement ensued, during which Aboriginal societies suffered an almost complete erosion of their land and resource base which in turn undermined much of their traditional economy. Widespread poverty and even starvation ensued.

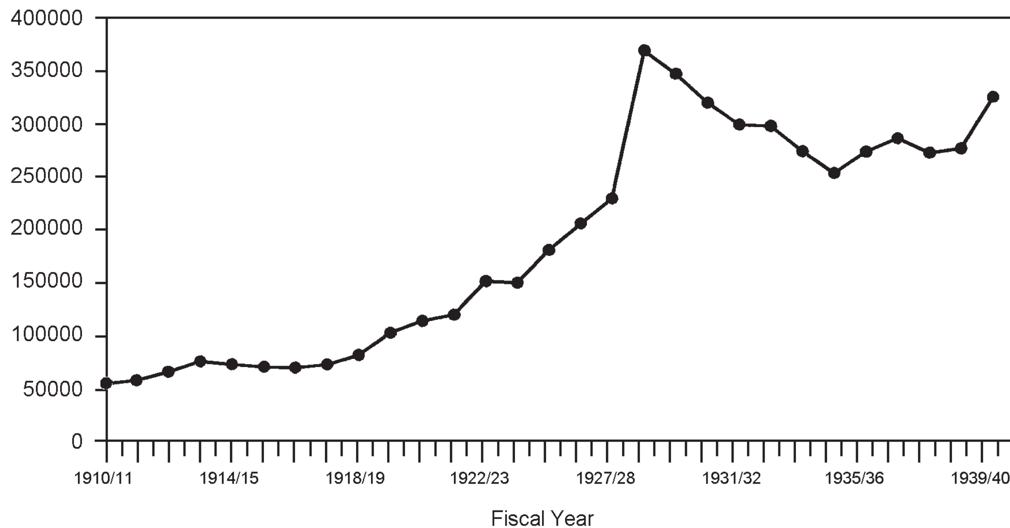
In Nova Scotia, for example, it is estimated that the Mi'kmaq population declined from an estimated 26,000 persons in the year 1600 to only 1300 persons at the low point in 1840. The extent of disruption of the Mi'kmaq economy was so severe that starvation is judged to have been the principal cause of population decline, a more important factor than the effect of European diseases. Signs of indigence and petitions for relief made their appearance by 1767, but the response of colonial authorities was quite limited:

> In 1768, Britain turned over responsibility for local affairs to authorities based in Nova Scotia but provided few resources for the implementation of policies. With respect to Indian affairs, little attention was given to the problem in the late 1700's and early 1800's, except when a military threat loomed and it was feared that the Micmac might again become a factor as allies of the opposing side. At such times, a report on the condition and disposition of the Micmac was sought, and impetus was provided for the provision of relief supplies. Such supplies were regarded by the authorities more as charitable donations than as the fulfilment of obligations resulting from past agreements ... and they took the form of blankets, potatoes, meal, fish or bread. While the relief allocations were sporadic at first and always very limited in terms of the total annual amount provided (ranging in cost from 25 to 300 pounds for the whole province), the destitution of the Micmac necessitated regular annual grants from 1827 onward. As starvation and disease took their toll, an increasing proportion of the total funds granted were used to pay the medical bills submitted by non-Indian doctors.

In the later 1800s and early 1900s, the Mi'kmaq slowly regained their economic footing. While remaining poor, they were able to establish a reasonable degree of self-reliance through their own self-employment and by working as wage labourers on the fringes of the non-Indian economy. But the signs that this trend was not to continue were first seen in the depressions of the 1920s and 1930s when the Mi'kmaq began to lose their marginal foothold in the economy. Up until this time, welfare and other forms of relief payments had still not become widely available and were restricted largely to the aged and the infirm. As Chart 1 indicates, however, the level of outlay of welfare and related expenses began to rise more sharply in the 1920's and took an exceptional jump at the onset of the Great Depression. What had changed was not only the worsening of economic conditions, but also the fact that the federal government was prepared to alleviate hardship through the use of welfare payments, in contrast to the response of colonial authorities a century earlier.

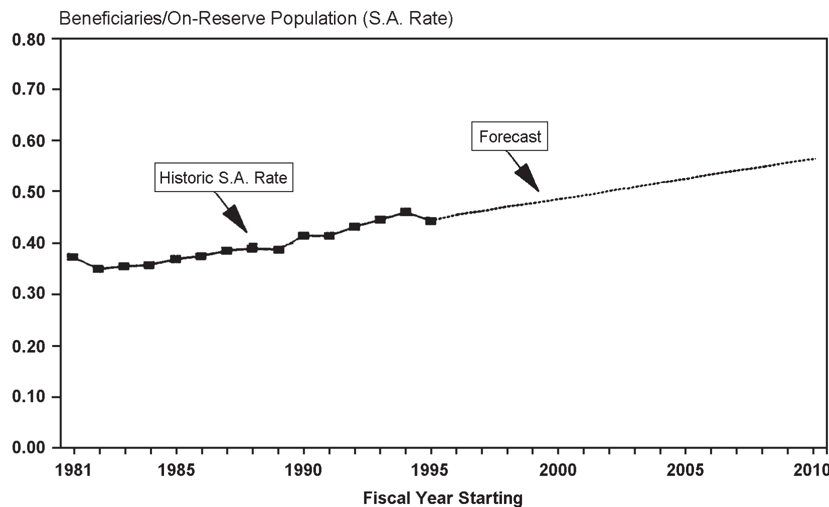
The willingness of the Canadian public and Canadian governments to meet problems of economic hardship on the part of Aboriginal people with transfer payments continued to build in the post-War period. While Aboriginal people were not always included in the programs offered by an expanding welfare state, particularly in the early stages, by the 1960s most forms of discrimination in the availability of social programs had disappeared. Thus, in the absence of a solid economic base, the dependence of Aboriginal people on social assistance continued to grow. For the on-reserve population in Canada as a whole, 37 per cent were reliant on social assistance by 1981, a figure that grew to 45 per cent by 1995. Projected into the future and taking account of anticipated demographic change, the rate of dependence on social assistance is expected to reach almost 60 per cent by the year 2010 (Chart 2). In the Atlantic Region, we were already at the 74 per cent level in 1992, with the forecast for the year 2010 rising to a staggering 85 per cent unless something changes drastically.

CHART 1
Annual Expenditure for Administration, Education, Medical Care, and Relief and Welfare during the Fiscal Years 1910/11 to 1939/40, Inclusive



Source: W.S. Arneil, "Investigation Report on Indian Reserves and Indian Administration, Province of Nova Scotia" (Ottawa: Indian Affairs Branch, Department of Mines and Resources, August 1941)

CHART 2
On-Reserve Social Assistance Rate, Trend and Forecast, Canada 1981–2010

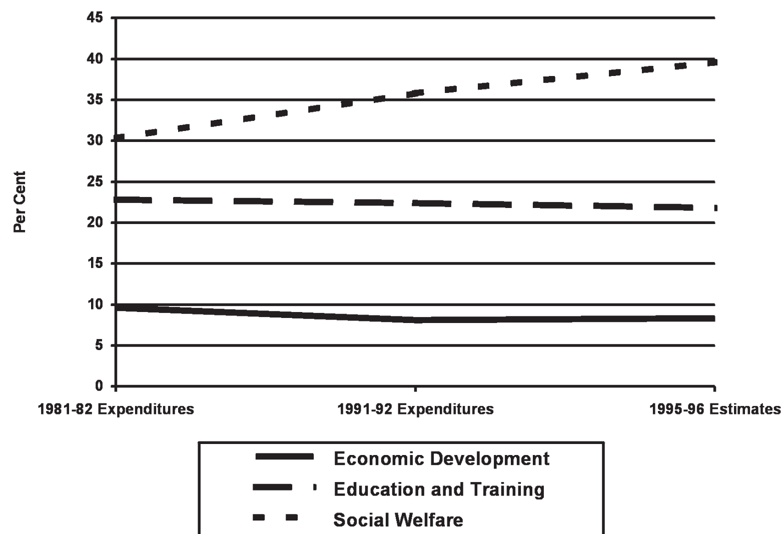


Source: J. Chen, T. Rogers and H. Tait, "Social Assistance Dependency on Reserve: An Initial Overview of Levels and Trends," Quantitative Analysis and Socio-demographic research, Indian and Northern Affairs Canada, February 22, 1994; Francois Nault, Jiajian Chen, M.V. George and Mary Jane Norris, Population Projections of Registered Indians, 1991–2015, Statistics Canada, prepared for Indian and Northern Affairs Canada, 1993; Indian and Northern Affairs Research Analysis Directorate; also personal communication with Four Directions Consulting, Winnipeg, Manitoba, concerning work in progress, July 1997.

This response by public authorities could be, and indeed is, interpreted as a humane and even generous one, especially in contrast with the failure of colonial authorities to provide relief a century earlier when it was so badly needed. The difficulty is that this has been the principal and virtually the only response to the declining economic situation. Significant and effective measures to protect what remained of the Aboriginal economic base and to assist in its rebuilding have not been undertaken. Indeed, the historical record bears out the conclusion that, even in this century, governments and the private sector have continued to take actions that serve to undermine Aboriginal economies on the one hand while steadily increasing the availability of welfare payments on the other. Dams have been built, lands flooded, streams polluted, regulatory regimes imposed, and communities relocated, usually to benefit interests other than the Aboriginal community.

We are now caught in a cycle where costs for welfare and related remedial measures continue to grow while funds for economic development stagnate or are reduced. Chart 3 shows what the federal government estimated it would spend on Aboriginal people in 1995/96, as well as actual expenditures in earlier years. The amount allocated for what might be called social problem spending (social assistance, health, housing, policing) has grown from 30 to 40 per cent of total spending in the period between 1981/82

CHART 3
Federal Expenditures on Programs Directed to Aboriginal People
Selected Years (Per Cent Allocated to Each Activity)



Notes:
(1) Economic development includes spending by DIAND for economic development, land claims, and lands/revenues and trusts. It also includes Aboriginal business development spending by Industry Canada.
(2) Education and training includes education spending by DIAND and training by Employment and Immigration (now Human Resource Development).
(3) Social welfare includes DIAND spending on social assistance and social services, health-related spending by Health Canada, expenditures on housing by CMHC, and on policing by the Solicitor General.
Data are for fiscal years beginning in April of the year indicated. Expenditures listed in this table pertain only to programs directed specifically to Aboriginal people. Not included are federal expenditures on programs directed to the general population, a share of which relates to Aboriginal people.

Source: Adapted from Table 2.7, Federal Expenditures on Programs Directed to Aboriginal People, in *Renewal: A Twenty Year Commitment*, Volume 5 of the Report of the Royal Commission on Aboriginal Peoples, Ottawa: Supply and Services Canada, 1996, p. 35.

and 1995/96. The amount allocated for economic development (broadly defined to include items such as economic development, business development, and land claims) decreased from 10 per cent to 8 per cent, while the proportion allocated to education and training has grown slightly from 19 to 22 per cent.

The overriding impression left by these figures, and by the experience of Aboriginal communities across the country, is that governments continue to meet economic distress with income support payments rather than investing in the often more difficult measures that would rebuild Aboriginal economies.

We desperately need to break out of this dynamic. A welfare economy provides a minimal level of income for its "beneficiaries" and a measure of economic security, but it exacts an enormous cost in terms of individual self-esteem and family and community well-being. While change may be politically difficult, Aboriginal people are the first to say that it is not in their long-term best interest. Neither is it in the interest of Canadian society generally, for the overall costs of such an economy are steep and rising, with no light at the end of the tunnel. The issue before us, then, is how to protect what remains of the Aboriginal economic base and rebuild what has been destroyed. Additionally, how do we make the transition from policy choices that seek to alleviate the symptoms of economic distress to those that would contribute to the creation of more self-reliant Aboriginal economies?

THE DIVERSITY OF CONTEMPORARY ABORIGINAL ECONOMIES

Before proceeding with a summary of the recommendations of the Royal Commission with respect to economic development, it is instructive to describe a bit of the diversity of Aboriginal economies. The picture that emerges from aggregate statistics and the popular media often suggests that Aboriginal economies are quite similar to each other across the country. Images of Davis Inlet spring to mind. In fact, there is a great deal of diversity in the ways in which people in Aboriginal communities make a living and in how they organize their productive activities.

We will provide a brief sketch of four types of Aboriginal economies, based on information provided by 16 community case studies carried out under the auspices of the Royal Commission's research program. We pay particular attention to their distinctive features. One of the implications of this diversity is that it is very difficult for policies and programs made in Ottawa, or even in the provincial/territorial capitals, to have sufficient flexibility so that they support, rather than impede, the development of Aboriginal economies across the country.

The Territorial North

The Commission's two case studies in the territorial north, Pangnirtung and Ross River, and Nain in Labrador all have a significant portion of their adult population engaged in the traditional pursuits of fishing, hunting or trapping, albeit with modern technology. Finding ways to make a living while preserving natural resources and the environment is in fact one of the central challenges of life in the north.

The economies of northern Aboriginal communities are often referred to as mixed economies, meaning that participation in traditional activities for subsistence is mixed with other elements. It may include selling a portion of the proceeds of the hunt on the market, or having a family member involved in wage employment in the public or private sector. It will also involve at least some members of the kinship unit receiving some form of transfer payments, such as unemployment insurance, social assistance, or an old age pension.

With respect to wage employment, one of the largest sources is the public sector, whether it is the hamlet/municipality/reserve, or the territorial or federal government. Related to this is the non-profit public sector, the service and political organizations that receive their funding from one or other of the governments and that have expanded considerably in number and scope in the last several decades.

Wage employment and self-employment are also found in the private sector in northern Aboriginal communities although typically the private sector is not well developed. It may take the form of a cooperative grocery store, a construction company that has little competition because of the isolation of the community, small firms in the service sector catering to the region's population or to the occasional tourist, or household-based businesses in the arts and crafts industry.

All three of the Commission's northern case studies also have had, or expect to have, some involvement with the non-renewable mining sector, whether this takes the form of employment/contracting with a large, capital intensive and externally owned corporation or a more modest, locally owned quarrying operation.

As we have witnessed in the North, significant changes in economic potential can be brought about through the conclusion of comprehensive land claim agreements which may expand land ownership, access to resources and the exercise of powers of self-government.

The Provincial North

The Royal Commission undertook four case studies of Aboriginal economies in the provincial north — the Alberta Metis Settlements, La Loche in northern Saskatchewan, Lac Seul in the north west of Ontario, and the Montagnais communities in the north-east region of Quebec.

The types of employment that we have reviewed for the territorial north also make sense for the provincial north, although there are some differences. There are fewer people involved in the traditional economy of hunting, fishing, trapping and gathering, for example, although this is still an important activity as measured by the food and income it provides and the significance it has for Aboriginal cultures.

The natural resource sector is also different in the sense that, in contrast to the territorial north, forestry-based activities are possible in addition to mining, and there is even some prospect for agricultural activity in the more southern regions of the provincial north.

The history of communities in the territorial north often features instances of destructive community relocations mandated by outside authorities, and this theme continues in the provincial north. The damaging effects on communities of major resource development projects can also be noted, whether the source is environmental pollution from a mine or the flooding of traditional lands because of a hydro development project.

A powerful theme in several of the Commission's provincial north cases is the incursion of provincial regulatory regimes and their negative effects on Aboriginal lands, resources, and the livelihood base. We tend to think of these as being in the more distant past, but the case study of Lac Seul makes the point that provincial regulations such as trapline, environmental and wildlife management systems have affected the communities primarily in the last 30 years, and they continue to present a serious problem:

> For us, the tragedy of outside resource management regulation is that many of the decisions of non-aboriginal governments restrict the lives of our people on our lands in ways that conflict with our culture and place it at risk. In addition, ecological knowledge that we consider to be important in making "land-use" decisions — knowledge of bear fishing locations, migratory waterfowl nesting and staging areas, key feeding areas and habitat for a variety of animals, etc., — has most often not even been used when non-aboriginal governments have made decisions on land use in our customary territories. The Government of Ontario might have thought twice about approving the flooding of Lac Seul if its decision had been made from our cultural perspective concerning the wealth of our Lands…..

Southern Rural

The Commission's case studies located in more southern but rural parts of the provinces include Alert Bay (a coastal community in British Columbia), the Peigan Nation in southern Alberta, the Six Nations reserve in Ontario, Kitigan Zibi located at Maniwaki, Quebec, and Big Cove on the north shore of New Brunswick. While again there is considerable diversity among these communities, still there are some common features that distinguish this type of economy from those described previously.

A sector of traditional activity remains, but it is smaller than in the northern areas and often has to contend with a more restricted land and resource base. Participation in hunting, fishing or trapping may be more part time than full time, and take on more of a recreational flavour. It may also take the form of gathering wood for fuel or berries and other edible foods for home consumption.

While these economies are rural in nature, one of their key characteristics is their location in proximity to large urban markets. Thus it is possible for a portion of the labour force to commute to urban areas for employment, and the reserve residents are also likely to purchase consumer goods in town. However, the rural

community can still be described as an enclave economy, not well integrated into the surrounding regional economy and producing few goods and services for people living outside the community. Perhaps the major exceptions to this statement have been the development of the gambling, cigarette and alcohol trade in recent years. Because of their location, some communities are able to attract customers to tourism and recreational ventures such as golf courses and Aboriginal theme parks.

In contrast to communities in the more northern regions, those located in the rural south are likely to have gone further with the import substitution phase of economic development. Some, such as Six Nations, need to plan for the next phase of economic development, one that is more outward looking and that takes advantage of the export opportunities that access to a large urban market can provide. This type of development requires new forms of infrastructure and institutional supports if it is to succeed, such as larger amounts of capital, the development of local bank branches and credit unions, more sophisticated forms of planning, including by laws on business location, land use and environmental protection.

However, local governments in these southern rural communities are already well developed. They are likely to be managed by professional staff, and to have become differentiated into specialized public sector institutions that have assumed responsibility for services such as health, education, social services, economic development or policing. The labour force of Aboriginal communities located in southern rural areas will have higher levels of education than those in the north, and closer connection to community colleges or universities. Some post-secondary institutions may be located in or near the community, or may offer courses on a decentralized basis.

Urban

The Commission's research includes four case studies of Aboriginal economies in urban areas. These are studies of Kamloops, Regina (where one deals with First Nations and another with Metis), and Winnipeg.

Aboriginal population growth in urban areas is fueled by two factors — the influx of migrants from rural areas and the natural rate of increase of the population that is already residing in the urban area. The result is that there is tremendous pressure to find employment, housing, education and other services and, if efforts to do so are insufficient, then one can expect to find the social consequences emerging in the form of poverty, unemployment, the growth of street gangs, and so on.

The urban area does provide more economic opportunity than is available in most rural, reserve communities, and this is reflected in figures which typically show that urban Aboriginal employment rates, income levels, education levels, and the prospects of finding a full-time job are higher. Nevertheless, the figures also show that, when compared to the non-Aboriginal, urban population, the urban Aboriginal population is distinctly worse off.

While the urban Aboriginal population is predominantly low income and poorly educated, there is also an emerging group of middle class, professional persons who have achieved an improved socio-economic position in part because of their success in obtaining higher levels of education and in part because of positions that have become available in the publicly-funded organizations that have developed in the last three decades. These grew in response to the larger Aboriginal population in urban areas, seeking to speak for, and provide services to, the swelling numbers.

In contrast to the other types of Aboriginal economies we have described above, the urban situation is distinguished by a number of features:

- the fact that Aboriginal people are dispersed among a large non-Aboriginal population in urban areas.
- Aboriginal people in urban areas are likely to come from different nations or cultural groupings, making it more difficult for them to come together in a cohesive manner
- the urban Aboriginal and non-Aboriginal population provides a large potential market, so Aboriginal business development remains an important means of increasing employment. However, the economic environment also includes thousands of already-established non-Aboriginal businesses, making employment in those businesses a logical and important part of an employment strategy
- while representative political organizations exist to speak for urban Aboriginal populations, there is often conflict among them over

who speaks for whom. Additionally, they lack the resources and the jurisdiction to act with authority on the concerns of their members

- there is a continuing jurisdictional tangle. While Metis tend to be neglected by federal programs, First Nations people in urban areas are frequently caught in the middle of federal-provincial disputes over who has the responsibility and the resources to meet their needs
- with a few exceptions there is no urban land base. However, funds to purchase land in urban areas can be made available through comprehensive or specific land claims, or through treaty land entitlement settlements, and these lands could possibly be given reserve status

SOME PRECONDITIONS FOR ABORIGINAL ECONOMIC DEVELOPMENT

It is fair to conclude that, over the last several decades, academics, governments and the private sector have come to a better understanding and perhaps to more agreement on the conditions that need to be put in place in the context of which economic development can proceed. Our understanding of Aboriginal economies in particular has been enriched by the work of the Project on American Indian Economic Development at the John F. Kennedy School of Government, Harvard University. There, Joseph Kalt and his colleagues and students have undertaken a large number of case studies of tribal economies in the United States, seeking to identify the factors associated with successful economic development as defined by the tribes themselves. They contrast these instances with the larger number of cases where such development has not taken hold.

One of their conclusions is that political leaders and policy makers are forever trying to pick winners — that is, potentially successful business ventures — rather than putting their energies into getting the institutional framework and preconditions for economic development right:

> For many Indian nations and their leaders, the problem of economic development has been defined as one of picking the right project. Tribal governments often devote much of their development-related time and energy to considering whether or not to pursue specific projects: a factory, a mine, an agricultural enterprise, a motel and so on....
>
> Picking winners is important, but it is also rare. In fact, Indian Country is dotted with failed projects that turned sour as investors' promises evaporated, as enterprises failed to attract customers, as managers found themselves overwhelmed by market forces and political instability. In fact, many tribes pursue development backwards, concentrating first on picking the next winning project at the expense of attention to political and economic institutions and broader development strategies. Development success is marked, in part, by the sustainability of projects. Generally speaking, only when sound political and economic institutions and overall development strategies are in place do projects — public or private — become sustainable on reservations.

As the quotation indicates, economic development is about more than "picking winners." They conclude that the following elements are among the most important components for success:

EXTERNAL OPPORTUNITY

External opportunity refers to the political, economic, and geographic settings of reservations. There are four dimensions that are particularly important for economic development:

political sovereignty: the degree to which a tribe has genuine control over reservation decision making, the use of reservation resources, and relations with the outside world.

market opportunity: unique economic niches or opportunities in local, regional or national markets which come from particular assets or attributes (minerals, tourist attractions, distinctive artistic or craft traditions) or from supportive government policies

access to financial capital: the ability of the tribe to obtain investment dollars from private, government or other sources

distance from markets: the distance tribes are from markets for their products.

INTERNAL ASSETS

Internal assets refers to the characteristics of the tribes and the resources they control that can be

committed to development. Again, there are four important variables:

natural resources: minerals, water, timber, fish, wildlife, scenery, fertile land, oil, gas, etc.

human capital: the skills, knowledge, and expertise of the labour force acquired through education, training or work experience

institutions of governance: the laws and organization of tribal government from constitutions to legal or business codes to the tribal bureaucracy. As these institutions become more effective at maintaining a stable and productive environment, the chances of success improve

culture: conceptions of normal and proper ways of doing things and relating to other people and the behaviour that embodies those conceptions. As the fit between the culture of the community and the structure and powers of the governing institutions becomes better, the more legitimate the institutions become and the more able they are to regulate and organize the development process

DEVELOPMENT STRATEGY

Development strategy refers to the decisions tribes make regarding their plans and approaches to economic development. There are two key decisions:

overall economic system: the organization of the reservation economy itself, on such questions as the form of ownership of business enterprises and the approach to economic development (e.g., tribal enterprises, individual or family entrepreneurship, joint ventures, etc.). The prospects of successful development are improved if there is a good fit between the economic system chosen by the tribe and its social organization and culture

choice of development activity: the selection of specific development projects, such as a convenience store, a gaming operation, a motel or a manufacturing plant. Activities which take advantage of tribes' market opportunities, allow tribes to specialize in using natural and /or human resources most available to them, and are consistent with tribes' cultures are more likely to be successful.

Whether in a Canadian or United States context, it is not likely that a particular nation or tribe will be strong in all areas, nor is this necessary. Different development strategies require a different mix of elements — an Aboriginal nation emphasizing high technology development, for example, would want to emphasize human resource development and may be less concerned about distance from markets or the natural resource base. In general, however, the more elements in place, the better the nation's prospects for building a successful and diversified economic base.

NINE STEPS TO REBUILD ABORIGINAL ECONOMIES

The Commission's analysis of Aboriginal economies shares the view that the important thing is to put in place the conditions in the context of which economic development can proceed. To this end, its recommendations, which are summarized here, deal with many of the conditions specified above.

Regaining Control

The Commission's research makes repeated reference to the need for Aboriginal nations to regain control over the levers that govern their economies, in the context of the broader emphasis on self-determination and self-government. In a speech to a Royal Commission Round Table discussion, Joseph Kalt compared those American tribal groups that had achieved higher and stable levels of economic development with those that had not. He concluded that:

> When we look around reservations, we find key ingredients to economic development. The first is sovereignty itself. One of the interesting phenomena that we see in the United States is that those tribes who have broken out economically and really begun to sustain economic development are uniformly marked by an assertion of sovereignty that pushes the Bureau of Indian Affairs into a pure advisory role rather than a decision-making role….
>
> Why is the exercise of sovereignty a key? Well, we think in part it's because our Bureau of Indian Affairs in the United States faces a severe conflict of interest. The fate of the Bureau of Indian Affairs rises and falls with the fate of Indian country. The higher the unemployment rate, the worse the poverty, the better off is the Bureau of Indian Affairs,

> its budget rises, its staff rises, its power rises. The individuals who work for our Bureau of Indian Affairs are in general perfectly fine individuals but they work within a system that creates a tremendous conflict of interest in which it is not in the interests of the Bureau of Indian Affairs to spur economic development and reduce dependence on reservations. And in case after case after case, we find the Bureau of Indian Affairs standing as an impediment to economic development.

The Royal Commission case studies add other dimensions to this argument. In the case of our Lac Seul case study, for example, the focus is on lack of decision-making power over traditional lands and resources. Non-Aboriginal rules and regulations hold sway and these are rooted in a world view that is quite different from Aboriginal perspectives. The result is cultural conflict and a retreat from economic activity on the part of the Anishinaabe people:

> Does this mean that, unless we adopt the non-aboriginal way of economic organization fully, we can never have the 'resources' at our disposal to achieve economic independence? Not necessarily, is how our focus group results would best be interpreted. As Anishinaabe people living at Lac Seul, we have immense knowledge of our Lands. We have livelihood customs which represent significant economic strengths that could be put to use in developing new economic pursuits as well as nurturing 'traditional' ones. If we had security of access to our Lands we could develop appropriate financing mechanisms to take advantage of economic opportunities. This is the 'capital' that many Lac Seul people would use to nurture their economic recovery. Unfortunately, the knowledge, skills and the customary organizational strengths of our people which are expressed in our culture cannot be used by them in ways they would often prefer. This is because we are missing the one ingredient necessary to undertake livelihood projects as we would want: authority in relation to our Lands.

Another illustration comes from the La Loche case study, which describes a community where the major part of economic activity is generated by the very high levels of spending that are required to deal with problems such as unemployment, poverty, alcoholism and family breakdown. This is reflected in the fact that the newest buildings in the town are the liquor store and the jail, rather than buildings which would reflect a thriving economic base not unusually dependent on government funds. The community's leaders are well aware that spending is being largely devoted to short-term remedial kinds of activities, and that the only sensible long-term solution is to build a self-sustaining economic base for the community. They would like to divert spending, or at least a portion of the annual increase in spending, from meeting social to meeting economic development objectives, but are unable to do so because virtually all the spending is controlled by individual provincial and federal departments, each with its own agenda. Coordination between the departments and between the levels of government seems to be virtually non-existent, and the idea that spending patterns would actually change to meet the long-term best interests of the community seems to be a pipe dream. As a result, an ever increasing amount continues to be poured into the community, dedicated to the management or alleviation of social problems. On the other hand, if the community had more political authority and could access a pool of funds not tied to pre-existing agendas and separate departments, it would be possible to envisage a different agenda being realized.

For these and other reasons, the Commission in its recommendations supports the inherent right of Aboriginal nations to govern themselves, and urges federal, provincial and territorial governments to make room for an Aboriginal order of government in Canada. Until such time as self-government is achieved, the Commission recommends that governments move away from fragmented, project by project funding with narrow mandates. It advocates the signing of long-term development agreements which will provide funds in block form and which will greatly increase the flexibility of Aboriginal governments in advancing economic development according to their own priorities.

Rebuilding Aboriginal Nations

The Royal Commission's Final Report makes a strong argument for the Aboriginal nation as the appropriate unit to exercise powers of self-government, and argues that steps should be taken to rebuild and revitalize this historically important level of organization among Aboriginal peoples. By using the term "nation," the

Commission refers to "a sizeable body of Aboriginal people who possess a shared sense of national identity and constitute the predominant population in a certain territory or collection of territories." The term refers to cultural groupings such as the Mi'kmaq in the east, the Mohawk in central regions of Canada, the Metis on the Prairies, and the Dene and the Inuit in the North. The Commission estimates there are approximately 60 Aboriginal nations in Canada.

With respect to economic development, the case for organizing activity around the nation, as opposed to or in conjunction with individual communities, is essentially the argument surrounding economies of scale. A project that is not viable if carried out by an individual community may well be viable if carried out by a grouping of communities organized into a nation. Individual communities may not be able to support a specialist in agriculture by themselves, but such scarce and expensive human resources may well be fully occupied if they are employed at the nation level. The same argument can be made for institutions to support economic development. While each community needs to have economic development personnel, it need not necessarily have an Aboriginal capital corporation, or a research and policy unit, or a marketing agency.

The point about the importance of economic scale was clearly made in the Commission's studies of natural resource sectors, which recognized the important gains that had been made in institutional development when sector-specific and often province-wide technical support programs were established. Examples in agriculture included organizations such as the Saskatchewan Indian Agricultural Program, the Manitoba Indian Agricultural Program, and the Western Indian Agricultural Corporation. Many of these initiatives in agriculture and other fields were undermined when funding was diverted back to individual communities, with the consequent loss of the technical expertise and support that significant projects in the natural resource field would require.

Building Institutional Capacity

Kalt and his associates make the point that an expanded range of powers will not lead to long-term economic development unless Aboriginal governments can take effective action, and this requires the development of effective institutions. The latter have three characteristics:

1. Such institutions need to be seen to be legitimate by the people of the community or nation, capable of mobilizing and sustaining support. This is more likely to occur if the institutions are congruent with the culture of the nation. We noted above the diversity of Aboriginal nations in economic terms, and the same is true in cultural terms. Aboriginal nations differ significantly in matters such as the role of women in decision-making, preferences for individual or collective ownership of businesses, or the degree of executive leadership they are prepared to tolerate. Their institutions of governance, broadly defined to include economic development institutions, should be congruent with the culture of the community or nation. They should not be expected to conform to the "one size fits all" models that have been imposed through legislation such as the Indian Act.
2. Secondly, Aboriginal institutions for economic development need to be able to implement strategic choices effectively. That is, they need to have the capacity to develop and implement rules and procedures that are seen to be fair, carried out by a well trained and professional staff.
3. Finally, the institutions need to create a political environment that is safe and secure for development, one that can attract confidence, commitment and investment. This requires in part:
   - finding a way to separate and limit powers in order to minimize the abuse of power. In particular, this requires finding a way to draw the line so that the wealth of the community is not exploited for personal gain by those who have political power in the community
   - having a fair and impartial mechanism for settling disputes
   - finding a way to guard against the inappropriate involvement of political leaders in the day-to-day decisions of business ventures or of economic development institutions. Political leaders do have an important role to play in economic development — for example, in setting long-term goals, identifying appropriate strategic directions, and in putting in

place the institutional base for economic development — but that role should stop short of interference in the day-to-day operation of businesses or economic development organizations. This does not mean that a community can't have collectively-owned businesses, or publicly established economic development organizations, only that such institutions need to operate at arms length from the political leadership in terms of their day-to-day operations.

Putting in place the institutions required for development takes care of one of the critical ingredients of an environment that supports economic development. To this end, the Commission's recommendations strongly support the strengthening of the institutional capacity for economic development in Aboriginal communities and nations.

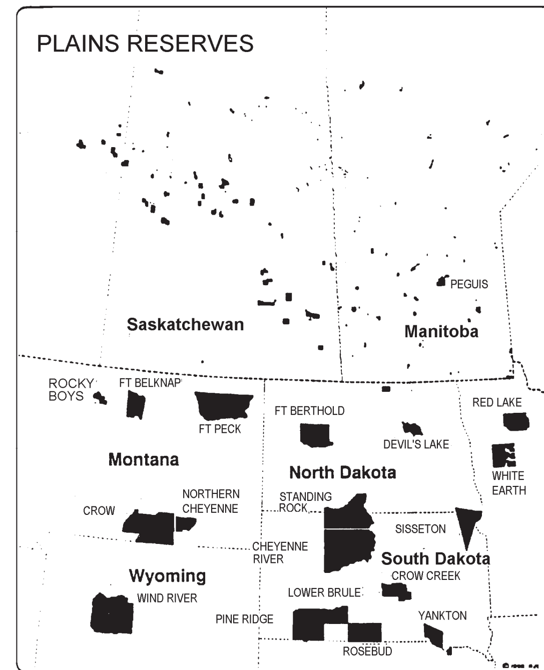
Expanding Lands and Resources

The Commission believes that the land and resource base of Aboriginal communities urgently need to be expanded if a more solid economic footing is to be achieved. The Commission's research clearly documents that making full use of available economic opportunities entails having an expanded land base and/or better access, ownership or control over resources such as fish, minerals, wildlife or forests.

The loss of control over and benefit from their lands and resources experienced by Aboriginal people historically has been truly staggering, and many unresolved issues remain. For example, in some areas of the country such as the Maritimes and much of British Columbia, treaties addressing land and resource issues have never been negotiated (comprehensive claim areas). In other regions where land agreements or treaties were signed, there are outstanding issues resulting from fraud in some cases, disagreements over what was agreed to, and failures to implement what was promised. In still other instances, negotiations need to take place because highways, hydro lines, or dams have made incursions on Aboriginal lands and resources without consent or compensation (specific claims).

Canadians may be surprised to learn how much greater the loss of Aboriginal lands has been in Canada than in the United States. As

CHART 4
Reserves and Reservations: Canada and the United States



Source: Adapted, with permission, from Robert White-Harvey "Reservation Geography and Recognition of Native Self-Government," Dalhousie Law Journal, 17/2 (Fall 1994), p. 588.

Chart 4 illustrates, south of the 60th parallel in Canada, the remaining Aboriginal lands make up less than one-half of one per cent of the Canadian land mass. In the United States outside of Alaska, by way of contrast, Aboriginal people hold 3 per cent of the land even though they make up a much smaller proportion of the United States population.

Once lands for Aboriginal people were reserved or set aside in the last century, it is also the case that the land base has been steadily whittled away over time, to the point that little more than one-third of the acreage remains. Thus the land base belonging to each reserve is typically just a few acres now, not enough to provide housing for the rapidly expanding population let alone to provide a basis for economic development.

The case made by the Commission for an expanded land and resource base is multi-faceted. It includes the need for land to accommodate the housing and other needs of a rapidly expanding population. It underlines the importance of Aboriginal lands and resources for maintaining Aboriginal culture. In economic terms, it is clear from any examination of contemporary Aboriginal economies, especially those outside urban areas, how important the land and resource base is to those economies and to their aspirations for future economic growth.

This is, of course, not the only route to a more prosperous future and some would argue that it is misguided, that the future lies in the "knowledge economy" and in "high technology" of the kind that is particularly visible among the computer hardware and software firms of Kanata. However, this conception of contemporary economies sets up a false dichotomy. In fact, the knowledge economy is pervasive through the economy as a whole, including the natural resources sector. From an Aboriginal perpspective, the proper understanding and management of natural resources has always been knowledge intensive — that is a lot of what traditional knowledge is about — and it continues to be so as modern technology and techniques (such as GIS) take their place alongside more traditional understandings.

The Commission's Final Report discusses in some detail how an expanded land and resource base can be achieved. The means include a revised, more fair comprehensive claims process, the renewal or renegotiation of treaties, establishing a fund which would permit land to be purchased on the open market, a new process for settling specific claims and, in the short term, the return of lands that were taken from Aboriginal communities but that are not being used for the intended purpose.

The Commission's research makes the point that having clearly recognized rights to the land/resource base is critical, for this entirely changes the dynamic between the Aboriginal nation and non-Aboriginal governments and companies. Under this scenario, Aboriginal people are in control and in a much better position to negotiate with outside interests. On the one hand, they may choose to have outside companies develop the resource — indeed there may not be an option because the resource may be of such a nature that only outside interests could mobilize the capital and other resources required to exploit the raw material. In these circumstances, the Aboriginal nation can be in a strong position to negotiate favourable employment, contracting or revenue sharing agreements with outside developers. On the other hand, the Aboriginal nation may choose to develop the resource itself. In a paper prepared for the Royal Commission dealing with the mining sector, Jeffrey Davidson from McGill University favours this alternative:

> In Canada, aboriginal communities are increasingly being put in the position of having to consider the prospect of major mineral developments within their traditional territories. In the past, communities have rarely taken the initiative to encourage intensive mineral exploration within their lands, nor have they necessarily welcomed large-scale mineral developments....
>
> At the same time, aboriginal communities have not given serious consideration to promoting and supporting some sort of regulated small-scale mineral industry on their reserves or within their traditional territories. This is certainly understandable in light of the general lack of an indigenous historical experience with mining and the lack of the technical and commercial skills base necessary for either effective supervision or successful operation at a commercial level....
>
> The promise of commercially successful small-scale mining operations is their potential to offer a community substantially more meaningful returns in terms of providing jobs, stabilizing revenue streams, developing managerial, technical and trade skills within the community, creating opportunities to participate in decision-making and in the management and control of potentially adverse environmental and social impacts and their mitigation. Their benefits accrue primarily to the communities near which they are located. Furthermore, mining at the smaller scale can be more easily integrated into the pre-existing economy, and is potentially more responsive to locally-oriented social, economic and political development needs and objectives……

In short, an expanded land and resource base and especially one in which Aboriginal nations have a clear legal interest, must be a major element in any strategy to rebuild Aboriginal economies.

Recognizing Aboriginal and Treaty Rights

As noted in the previous section, one of the principal ways in which the land and resource base can be expanded is through the recognition of Aboriginal and treaty rights. This is perhaps most obvious when Aboriginal rights are recognized through comprehensive claims settlements, which make available an expanded land and resource base, provide capital and other supports for economic development, and in some cases also include negotiations over the scope of Aboriginal self-government. Whether the result is an expansion of business opportunities or new positions available in the public sector, the end result is a significant expansion of economic opportunities. Similar but more limited results can be expected from the processing of specific land claims, the settlement of treaty land entitlements, and the renewal, renegotiation or implementation of treaty provisions.

A considerable portion of the Royal Commission's research examines issues surrounding Aboriginal and treaty rights, and Commission reports make extensive recommendations about these matters. These include the recommendation that the policy of extinguishment be abandoned, that new legislation, procedures and institutions be put in place to make comprehensive claims negotiations more just and productive, and that existing treaties be reexamined where necessary to correct historical injustices or to adapt them to contemporary circumstances.

Building Aboriginal Businesses

The Commission's case studies and other reports provide some insights into the kinds of measures that need to be taken to provide support for Aboriginal business development in addition to those (such as the expansion of the land and resource base) that have already been mentioned. These include recommendations such as the following:

- improving access to capital through the establishment of banking facilities at the community level, making funds available to establish micro lending circles, strengthening the Aboriginal capital corporations, making greater use of revolving loan funds, surmounting problems of access to credit on reserve through such means as Kahnawake's trust deed loan system, and establishing a national Aboriginal development bank
- supporting entrepreneurship through improved business advisory services, including support for new entrepreneurs in the critical months after the business is established
- improving and expanding access to markets through such measures as the establishment of effective contract set aside programs, support for a trade promotion capacity within Aboriginal economic development institutions, and the labeling, protection and promotion of uniquely Aboriginal products

Supporting Traditional Economies

We noted above how important the traditional economy is for northern Aboriginal populations in particular, as the preferred way of making a living, as a source of nutritious country food, as one component in a mixed economy, and as a repository for Aboriginal ecological knowledge. The Commission's research leaves no doubt that this sector should be supported as one of many options for making a living.

One of the principal obstacles facing those who wish to make a living in traditional ways from the resources of the land and sea is the difficulty of obtaining the cash that is necessary to support expenses such as hunting equipment, snowmobiles, gasoline and traps. Cash income can be derived from part-time work, from the proceeds of the hunt, or from transfer payments, but these sources may be inadequate or unsuitable. The current welfare system, for example, acts as a disincentive to the needs of wildlife harvesting because it imposes penalties against income derived from the harvest, and the method of payment necessarily keeps hunters within reach of their communities.

The Commission's research, however, takes an in-depth look at a different kind of income support program, one modelled by the James Bay Cree and now being tried in other parts of the country. Basically, the idea is to provide income support to help maintain self-employed hunters who are already involved in productive activities, according to the time they spend on the land. The support system guarantees a minimal level of income based on family needs. In addition, cash income is provided to harvesters according to the number of days spent harvesting, in the form of a per diem rate.

Income support is not of course the only kind of support the traditional economy requires.

CHART 5
Barriers to Employment Reported by Aboriginal Identity Population Age 15+ Who Looked for Work 1990–91, by Aboriginal Group

Perceived Barrier	*Indian Persons on Reserve*	*Indian Persons off Reserve*	*Metis Persons*	*Inuit Persons*
Few or No Jobs	75.2	61.4	62.4	71.1
Mismatched Education, work experience	40.1	40.1	42.6	38.0
Lack of Job Information	32.3	25.0	22.4	23.4
Being Aboriginal	22.2	25.5	11.7	11.9
Lack of Child Care	8.1	8.5	8.4	9.3
Other Barriers	7.3	12.6	8.7	8.5

Note: Percentage of respondents reporting each barrier

Source: Statistics Canada, Aboriginal Peoples Survey (1991), Catalogue No. 89-534

Other measures recommended in the Commission's report on wildlife harvesting, for example, include the need for a revolving loan fund, the strengthening of the organizational capacity of traditional resource users, the provision of appropriate training for trappers, and support for a trap exchange program so that new trapping technology can be adopted.

Overcoming Barriers to Employment

In one of the more useful questions asked in the Aboriginal Peoples Survey, conducted in 1991 by Statistics Canada, respondents were asked to indicate what barriers they faced in finding employment. The results are given in Chart 5.

Expanding Available Jobs.

The results reveal that by far the largest perceived barrier to employment is the lack of available jobs. High unemployment or underemployment in Aboriginal communities is typically a function both of conditions specific to the community, such as the state of business development or the education/training level of the adult population, and of conditions in the wider economy. Although the correlation is not perfect, unemployment rates in Aboriginal communities tend to be quite a bit higher when the community is located in a region of high unemployment, such as the Maritimes or the north, than they are when the communities are located in low unemployment regions.

Thus Aboriginal individuals and their organizations should have a significant interest in the economic policies of the federal, provincial, and territorial governments. Federal macro economic policy is particularly important because policy levers such as interest rates, exchange rates and fiscal policy set the stage for economic activity across the country and thereby exert a major influence on the number and types of jobs that are created at the local level. If jobs are available, then everything else tends to work better — there is more incentive to enter training programs, there is more success upon graduation, job finding techniques are more likely to work, and so on.

Education and Training

The second most significant barrier relates to the mismatch that is perceived to exist between the person's education/training qualifications, and the jobs that are available. The Commission's research on economic development repeatedly comes back to issues of education and training, and it does so for good reason. Available data clearly shows the relationship between levels of education and levels of unemployment (or many other measures of labour market outcomes). Indeed, it is difficult to envisage successfully carrying out strategies to expand employment without building in closely-linked strategies for making sure that properly qualified Aboriginal persons are available to assume the new positions.

Many of the issues pertaining to education and training are addressed by the Commission's research program in education and by the education/training recommendations contained in the Final Report. Among those studies commissioned in the area of economic development, the most directly relevant calls attention to the very positive and successful model provided by the tribal colleges in the United States. The lack of Aboriginal personnel with education in economic development-related fields is also identified. Finally, the study addresses the issue of the lack of representation of Aboriginal people in the science and mathematics-based professions. It recommends a three-part strategy in this connection:

- fostering a "desire to be" and providing the encouragement "to become"
- establishing the foundation to be a professional in a science-based discipline
- establishing a better learning environment for Aboriginal students so that they can successfully make the transition from high school into a technical/university science based degree or diploma program

Improving Information Networks.

If sufficient jobs are created and qualified Aboriginal people are available to take them, there still remains the problem of making the connection between the two. Social science research has made clear that 80 per cent or more of job vacancies are filled not through formal means such as newspaper advertising but rather through informal interpersonal networks that connect "those in the know" or "those with the connections" with the vacancy.

When the employer is non-Aboriginal, interpersonal networks are likely to be non-existent because there is not likely to be one or more Aboriginal employees already within the firm, and because the employer would not likely have personal connections to the Aboriginal community. Even if the firm is a larger one and uses formal recruitment methods, such as advertising for applicants, there are prior steps that may lead to the position being filled before the advertising stage is reached. For example, there may be collective agreements that give employees already with the firm the option to take the position if they are qualified. Or the employer may first check the applications on file to see if a suitable candidate emerges.

In order to bridge this kind of information/connection gap, and to prepare both job applicants and employers for working with each other, it is very important that governments make available an organized employment service that is particularly geared to the Aboriginal population. Unfortunately, these kinds of employment services are not available in all Canadian urban areas, and even when they do exist they have serious problems in obtaining the level and stability of funding that they need.

Agreements with Major Employers

After "lack of job information," the next most important barrier cited by respondents to the Aboriginal Peoples Survey is that of "being Aboriginal," a comment that can be taken to refer to the existence of discrimination. This supports other data available from the Commission's research which also suggests that discrimination is a significant barrier limiting employment possibilities.

The Royal Commission's Final Report outlines a new approach to breaking down employment barriers for Aboriginal people. This new strategy builds from the presumption that most employers have little connection to the Aboriginal community. Thus job vacancies are typically not made known to the community nor are the employers well versed in the steps they need to take to recruit effectively nor to create a comfortable environment that would serve to retain employees once hired. At least three other barriers stand in the way of an effective employment equity program. The first is the lack of suitably qualified individuals for the positions that may be available. The second is the fact that most employers are relatively passive about their recruitment efforts, typically waiting for Aboriginal applicants to come to them and make their qualifications known. The third is that most employers are geared to dealing with *individual* applicants; there is no effort made to connect with the community as a whole.

An approach to employment that would likely be more effective is one that involves the development of ties between employers and Aboriginal governments or organizations, especially those that have responsibilities for providing employment services, training and finding employment. Under this scenario, the employer would identify the kinds of vacancies that occur regularly or that are forecast to occur in a given time frame in the future. In collaboration with

the Aboriginal organization, suitable individuals from the community would be identified either to become candidates to assume the positions in the short term or, if suitably qualified individuals were not available, to undertake the necessary education and training so that they would be qualified in the future. At the same time, the Aboriginal organization would work with the employer in order to identify changes in workplace practices that would serve to maximize the prospects that the newly hired individuals would be retained. What is being recommended here is a long term, planned and collaborative approach.

This approach is being recommended in the context of providing much-needed employment for a rapidly expanding Aboriginal labour force. It can also be used to provide education, training and work experience for Aboriginal persons in occupations that are in high demand in the context of self-government — providing a training ground that includes hands-on experience for a number of years before the individual assumes duties on behalf of an Aboriginal government.

Child Care

The final barrier to employment cited by the Aboriginal Peoples Survey is the lack of child care, a factor mentioned by close to 10 per cent of those responding. Not surprisingly, it is parents and female respondents who are most likely to cite this barrier. For these groups, it is a problem for close to a quarter of those who responded to the Aboriginal Peoples Survey.

This problem also figured prominently in the Commission's research which documents shortages in child care spaces, culturally inappropriate services, culturally insensitive provincial and territorial regulations, jurisdictional conflicts between federal and provincial governments, and the lack of trained child care workers, among other problems. However, some progress on the issues related to child care is being made through recent initiatives, such as the federal government's Aboriginal Headstart program and the First Nations and Inuit child care program. Unless child care issues are resolved, Aboriginal women in particular will find it impossible to take advantage of education, training and employment opportunities.

New Approaches to Income Support

As we documented above, Aboriginal communities with high levels of unemployment typically receive major infusions of funds from transfer payments provided by provincial, territorial and especially the federal government. Social security payments such as unemployment insurance, veterans benefits and old age pensions make up a portion of the total, but social assistance or welfare is the most significant item.

Typically these transfers are considered to be individual entitlements, paid to persons as a matter of right on the basis of need, and not requiring much of the recipient. The payments basically set a meagre floor for incomes, and provide the means for ensuring that groceries, fuel oil, shelter costs and similar items can be purchased.

As we have seen above in the case of harvester support programs, transfer payments need not be provided only in this way. They can be designed in such a way that they support productive activity, and indeed some Aboriginal communities take advantage of the limited flexibility allowed them by outside governments to use their social assistance money in more creative ways — for example, to provide wages rather than social assistance to those encouraged to work on a housing project. Others require recipients to develop a plan of action for getting off social assistance and to implement the plan in exchange for the financial assistance that is provided.

Perhaps the most radical departure from established patterns is what might be called the community entitlement approach, modelled by the Australian community development employment program. Here, the community decides democratically that it would like to shift from a system of individual entitlement for social assistance to one of community entitlement. The community develops a plan for particular projects that would improve community infrastructure, for example, or the economic development of the community, and an application is made to the source of welfare funds. In Australia this is the Aboriginal and Torres Strait Islander Commission. If the proposal is approved, then an amount equal to what the community would have received under the more normal individual entitlement welfare system is transferred to the community. In addition, a top-up amount of up to 20 per cent is provided to meet the costs of equipment for the project. As the projects are implemented, those who work on them are paid in the form of wages rather than social assistance. In this way, the community benefits by

having much-needed work completed in the interest of the social and economic development of the community. This is another example of how income support funds, which usually support only consumption, can be used in more productive ways to provide employment and to lay the basis for the further development of the community.

CONCLUSION: THE COST OF DOING NOTHING

The Commission's recommendations in the area of economic development, as in the other areas of its mandate, call for far-reaching change. While the report has been warmly embraced by the Aboriginal leadership in the country, some non-Aboriginal governments have seemed to ignore the report while others have sought to pull from it some mildly reformist measures. What needs to be recognized is that the costs of the status quo are very substantial, and climbing. As John McCallum's presentation revealed, billions are lost each year by the failure of the country to realize the full economic potential of Aboriginal people — the acceptance of low labour force participation levels, atrocious unemployment levels, low earnings from the jobs that are held, and low incomes from other forms of wealth creation.

The Commission makes the case, in other words, that cost of the status quo amounted to $7.5 billion in 1996 because of the net cost of foregone production, the extra cost of remedial programs and financial assistance, and the cost of foregone government revenues. Furthermore, if we keep with present policies, it is estimated that the cost of the status quo will escalate to $11.0 billion by the year 2016.

Leaving aside moral, legal, social and other arguments for change, this is the financial argument for doing things differently. To make the basic structural changes that the Commission recommends — for example, with respect to the redistribution of lands and resources or self-government — will cost more than the status quo in the short to medium term, but the benefits will start to be visible within a decade. The Commission projects that, within 15 years to 20 years, the costs of the Commission's approach will be less than the status quo as the effect of new policies are realized in the form of increased incomes for Aboriginal people, and in positive changes to government expenditures and revenues.

In general, the Commission argues we need to make a sharp break with the patterns of the past, and have the courage and the foresight to establish a new relationship between Aboriginal and non-Aboriginal Canadians in this part of North America that we all share.

ABORIGINAL ECONOMIC DEVELOPMENT
Overview

>> >> >> << << <<

John McCallum

It is, for me, a pleasure and a privilege to address this gathering. Back in October of last year, Royal Bank teamed up with the Council for the Advancement of Native Development Officers (CANDO) to sponsor a conference that was directed at the Canadian business community. We were concerned that the response of corporate Canada to the massive research conducted by the Royal Commission on Aboriginal Peoples (RCAP) had been almost deafening in its silence. We hoped the conference would help break that silence and stimulate both debate and action by corporate Canada.

At the conference, my colleague Charlie Coffey, who heads up Royal Bank's business banking, as well as being an honorary aboriginal chief, spoke of the role of business and banks in fostering aboriginal economic development. My role was to focus on the macro side, or the larger picture. And that is also what I will do today.

My remarks will be divided into four parts:

- The statistics leave no doubt as to the very sad state of aboriginal economic and social development today.
- If one is not moved by these statistics, one might instead be moved by the high and rising cost of the status quo. Failure to improve the situation will extract a large and rising charge on the public purse.
- RCAP's economic strategy is based on additional annual government expenditures of about $1.5 billion for a period of some 15 years, followed, they argue, by a net benefit to government finances as the economic and social conditions of the aboriginal peoples begin to approach those of the population at large.
- Whether or not it will be accepted by government, the RCAP strategy is becoming increasingly affordable to the federal government. The next 10 to 20 years should see a large and rising "fiscal dividend" as the country's national debt declines in relation to the size of our economy.

I. CURRENT REALITIES: CANADA'S SHAME

Although the general fact of aboriginal economic deprivation is well known, it is worth reviewing a few of the statistics to underline just how bad things are.

Earnings

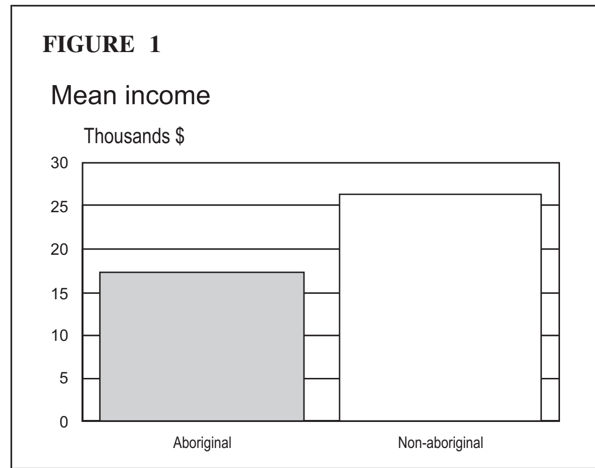
In 1995, the mean earnings of aboriginals aged 15 and above was just $17,400, or 66% of the non-aboriginal average.

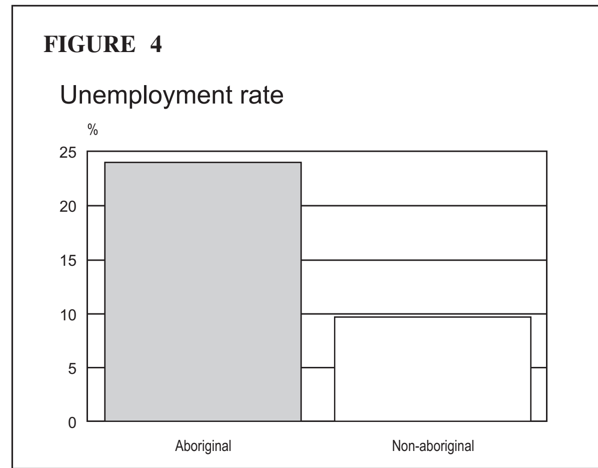
There is a substantial earnings gap for all age groups and for all levels of education, although at least in percentage terms the gap tends to fall as education rises. (See Figures 1–3.)

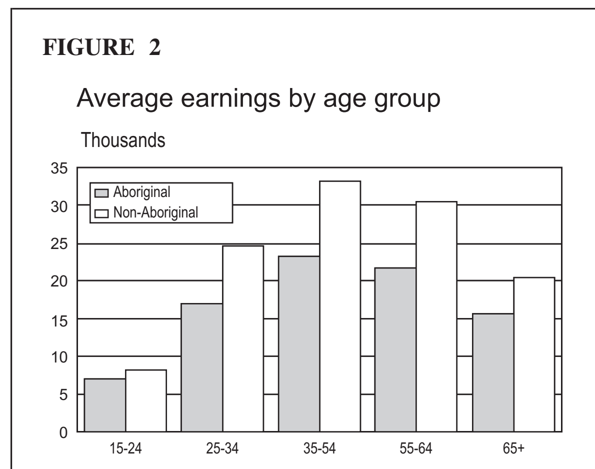
Unemployment

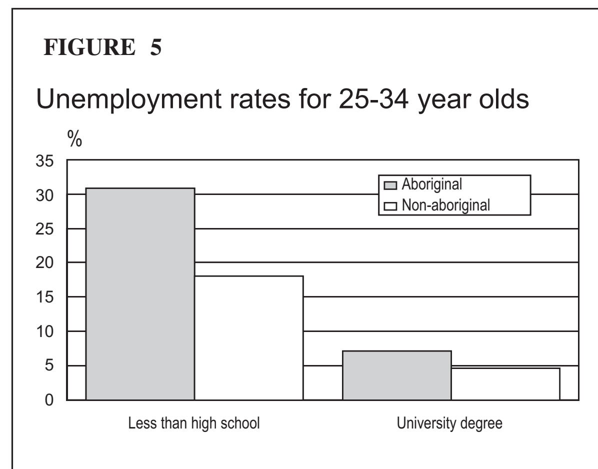
In 1995, the aboriginal unemployment rate was 24%, as opposed to a Canadian average of 9.8%.

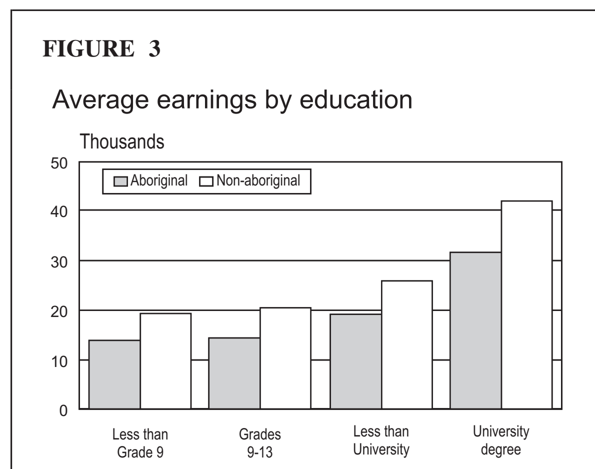
John McCallum, Chief Economist, Royal Bank of Canada

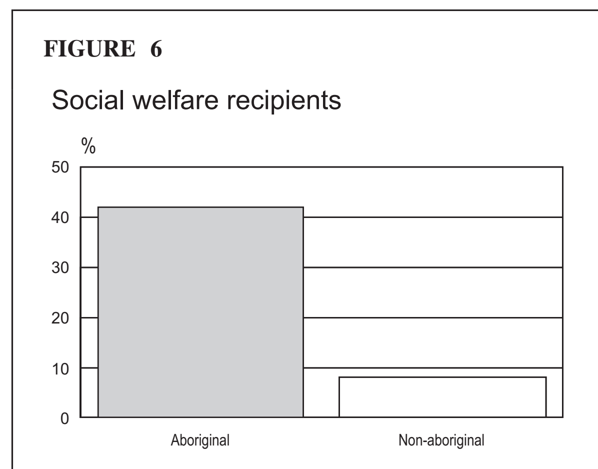












On the other hand, both the unemployment rate and the gap between aboriginals and non-aboriginals were much smaller for people with a university degree than for those who had not completed high school. (See Figures 4–5.)

Dependency

In 1991, 42% of people living on reserves received social welfare, as opposed to 8% for the Canadian population at large. (See Figure 6.)

FIGURE 7

High school graduates

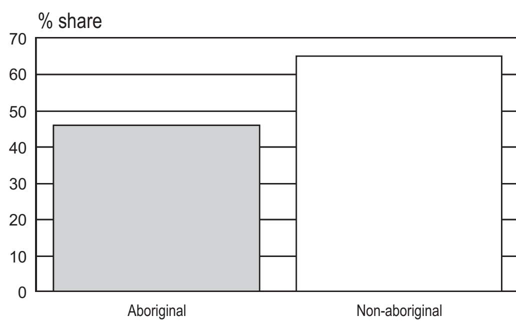


FIGURE 9

Child poverty rate

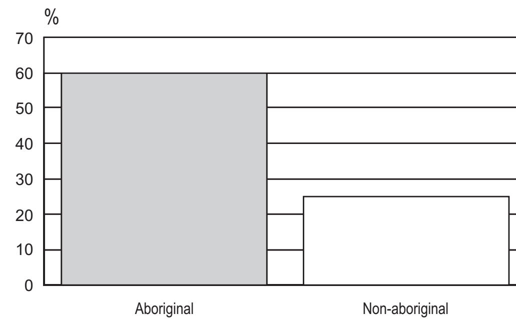


FIGURE 8

Poverty rate

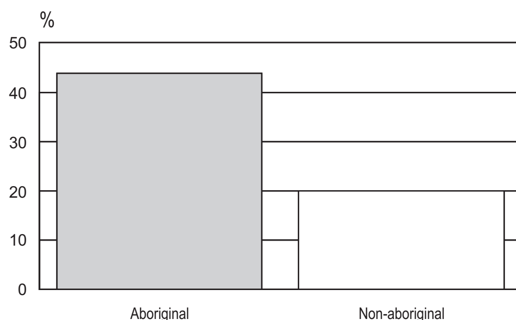
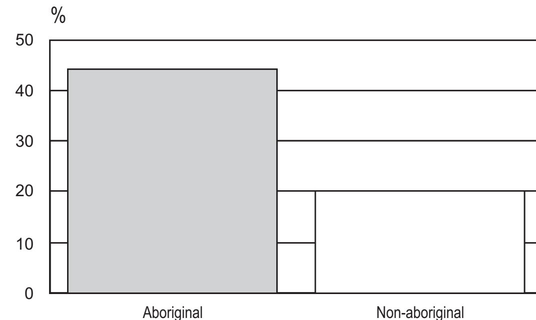


FIGURE 10

Children in single-parent families



Education

In 1995, only 46% of the aboriginal population finished high school compared to 65% in the broader population. On the other hand, there has been some improvement. Among aboriginals aged 20–29, the proportion of high school graduates increased from 41% to 55% between 1981 and 1996. (See Figure 7.)

Poverty Rate

In 1995, the aboriginal poverty rate was 44% as compared with 20% for all Canadians. (See Figure 8.)

Child Poverty

In 1995, 60% of aboriginal children under the age of six were in low-income families as compared with a national rate of 25%. (See Figure 9.)

Single-parent Families

In 1995, a staggering 46% of "urban" aboriginal children lived in a single-parent family, versus a national average of 17%. (See Figure 10.)

Health

The incidence of TB and diabetes among aboriginals is, respectively, seventeen and three times that of the broader population. (See Figure 11.)

Housing

According to a report commissioned by CMHC, aboriginal housing conditions are below acceptable standards for 65% of on-reserve households and 49% of off-reserve aboriginal households. The corresponding figure for the non-aboriginal population is about 30%. (See Figure 12.)

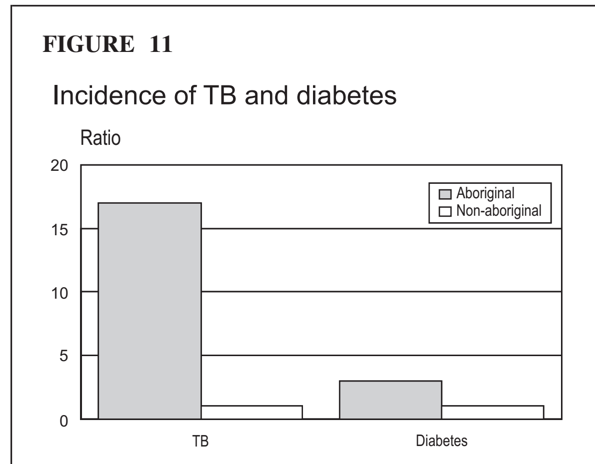


FIGURE 11

Incidence of TB and diabetes

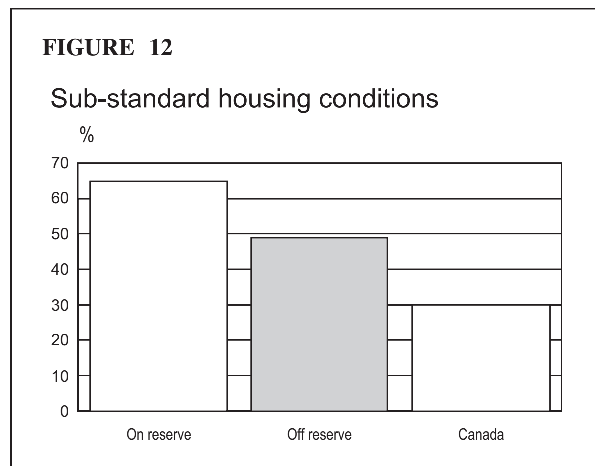


FIGURE 12

Sub-standard housing conditions

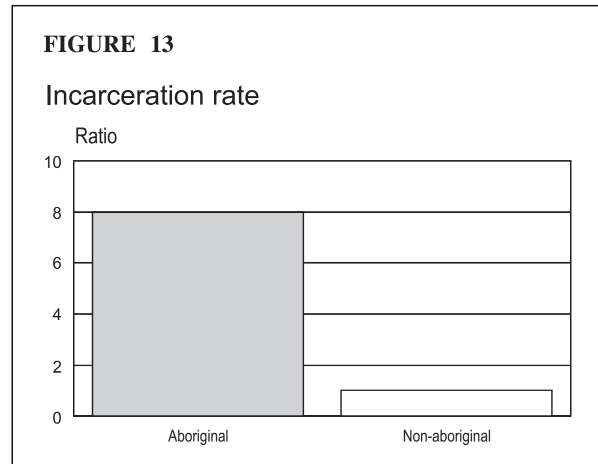


FIGURE 13

Incarceration rate

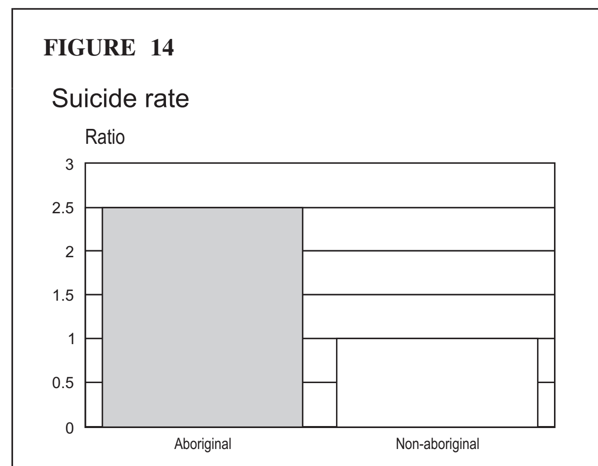


FIGURE 14

Suicide rate

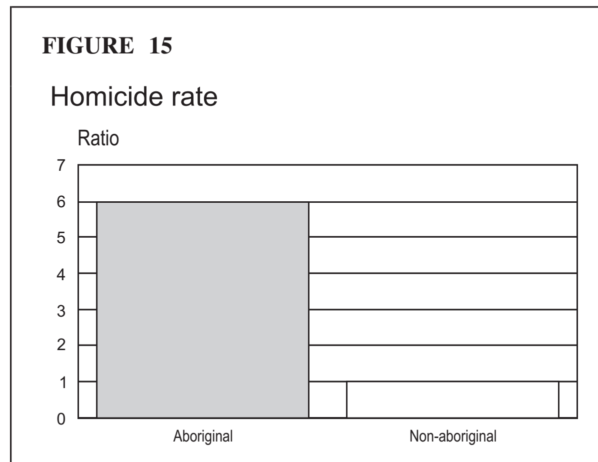


FIGURE 15

Homicide rate

Incarceration

As of October 1996, the rate of incarceration in federal and provincial jails was about eight times greater for aboriginals than for non-aboriginals. (See Figure 13.)

Suicide

Suicide rates are 2.5 times higher among aboriginals than in the broader population. (See Figure 14.)

Homicide

Homicide rates are six times higher than in the broader population. So there is a strong social and moral case for measures to improve the living conditions of Canada's first peoples. This, however, is not the only strand in the argument, for a dollars and cents case can also be built, based on the high and rising cost of the status quo to the Canadian taxpayer. (See Figure 15.)

TABLE 1
Cost of the Status Quo in 1996 ($ billions)

Cost to aboriginal people		*Cost to governments*	
Foregone earned income	5.8	Direct expenditures	2.5
Less income taxes foregone	–2.1	Revenues foregone	2.1
Less assistance from governments	–0.8		
TOTAL	2.9	TOTAL	4.6

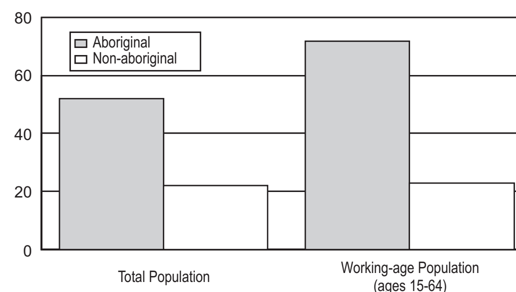
Source: RCAP

II. THE RISING COST OF THE STATUS QUO

RCAP estimates the annual cost of the status quo at $7.5 billion in 1996. Of this amount, $2.9 billion is borne by the aboriginal people and $4.6 billion is borne by government. For the aboriginal people, the cost is equal to the gap between their earned income and that of the rest of the population, minus the income taxes foregone and financial assistance from government. For governments, the costs consist of direct expenditures (over and above what governments spend on non-aboriginal Canadians) plus tax revenues foregone (see Table 1).

This, however, is not the end of the story, as there is a potential time bomb in the form of demographics. Between 1991 and 2016, the population with aboriginal identity is projected to rise by 52% (compared to 22% for non-aboriginal Canadians). More striking, because of differences in demographic structure, the working-age aboriginal population (aged 15–64) is expected to grow by 72% over this same period, as compared with only 23% for non-aboriginal Canadians. (See Figure 16.)

FIGURE 16



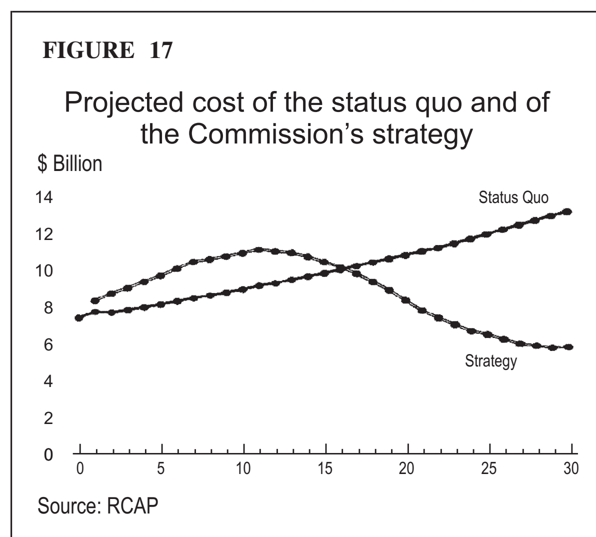
For Canada as a whole, this high growth rate of the working-age aboriginal population could be a blessing or a curse. It is sometimes said that the United States and Canada benefit from the inclusion of Mexico in NAFTA because Mexico's much younger population will provide a welcome offset to the aging populations of Canada and the United States over the next decade or two. It is equally true, but less recognized, that the same can be said of our own aboriginal population. As the country ages, there will be a premium on younger Canadians whose efforts will be needed, in part, to support the aging baby boomers. If, then, the more youthful aboriginal population can become productive workers and taxpayers, they could make a significant contribution to the economic health of the country as a whole.

That, however, is a big "if". Under status quo conditions, large numbers of the rising population of working-age aboriginal people will fail to get jobs and will be seen as an economic cost to the state rather than a benefit. Indeed, according to RCAP, for demographic reasons alone, the cost of the status quo will rise from $7.5 billion in 1996 to $11.0 billion in 2016.

III. RCAP'S ECONOMIC STRATEGY

RCAP proposes a strategy that is summarized in the following chart. Compared with the costs of the status quo, which rise without limit, the RCAP strategy calls for government expenditures that exceed the cost of the status quo for some 15 to 20 years. It is argued, however, that as economic and social conditions among the aboriginal people improve and some of the dismal statistics shown earlier reverse themselves,

FIGURE 17



Source: RCAP

the strategy will begin to pay off from a government finance point of view. As a result, the net cost of the strategy will eventually fall below the cost of the status quo. (See Figure 17.)

Relative to the status quo, the strategy calls for government expenditures that peak at $1.5 billion to $2 billion higher than is the case today. In the earlier years, priority is to be given to economic and social measures, but costs in these areas decline as progress is made. Land claims settlements represent a major part of the cost, estimated at $1 billion in 2016, but these are offset and eventually more than offset by government revenue gains. (See Table 2.)

IV. AFFORDABILITY OF THE RCAP STRATEGY

Before commenting on the merits of the RCAP strategy, let us consider its affordability. Here the news is definitely good. For many years Canada was trapped in a vicious circle of rising government debt and interest payments. Now, however, we are at the point of a surpluses, or at least on the verge of a surpluses. We are about to enter a much happier time of a virtuous circle as healthy growth and falling interest rates and interest payments reduce the national debt, if not in absolute dollar terms then at least in relation to the size of the economy.

There is clearly a risk — indeed, a very major risk — of a premature declaration of victory over the deficit and debt. While we still have an unacceptably high unemployment rate, we are also living in the best of times in terms of job creation and economic growth. Times may not be so good a year from now when, for all we know today, we might be in the midst of a recession caused by the Asia crisis. This suggests that the federal government should display great caution before opening its purse strings too widely.

Nevertheless, the RCAP framework runs to 20 years or more and, in the context of that time frame, it is clear — barring major calamities — that the federal government will have a large and rising fiscal dividend at its disposal. As this chart shows, the federal government's fiscal dividend is likely to rise very rapidly over the

TABLE 2
Changes in Government Finances under the Strategy ($ millions)

Additional allocation in the year:	*2001*	*2016*
Structural measures*	150	475
Land claims settlements	—	1000
Healing†	525	(1050)
Economic opportunity and living conditions‡	900	750
Government revenue gains	—	(1550)
TOTAL	1575	(375)

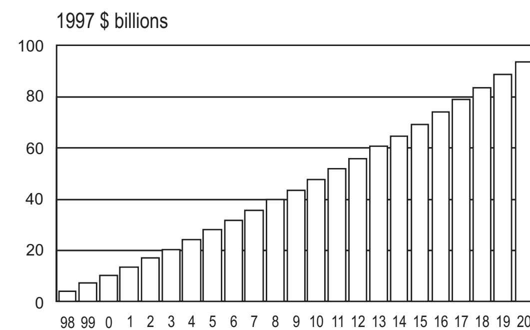
* Includes tribunal and treaty commissions, nation rebuilding and nation governments.
† Includes education, health, social services, and justice.
‡ Includes economic development, income transfers, housing and infrastructure, and human resource development.

Source: RCAP

next twenty years, reaching $24 billion in 2004, $46 billion in 2010, and a massive $79 billion in 2017. These numbers, which are denominated in dollars at the prices prevailing in 1997, are based on conservative assumptions.[1] (See Figure 18.)

So, if one asks whether the RCAP proposal is affordable, the answer must be "yes". Certainly it is a whole lot more affordable today than a few years ago. This is not to say, however, that the federal government will necessarily buy into the RCAP proposal in full.

FIGURE 18



V. CONCLUSIONS

What we have established in this paper is that the economic state of Canada's first peoples today is deplorable, that the costs of the status quo to the public purse are high and rising, and that any costs incurred by the federal government in addressing these problems are a lot more affordable today than was the case just a few years ago. We have also provided a brief outline of the economic strategy recommended by RCAP.

While all of this is certainly suggestive, we stop short of recommending that the government adopt the RCAP recommendations because we lack the expertise to comment intelligently on their viability or likely success. As well, it is not really the role of a bank to tell the federal government how to conduct its policy. Nevertheless, it is our view that this is a matter of great national urgency and that the business community should lend its support to the goals, even if it lacks the expertise to assess the means by which public policy might best achieve these goals.

NOTE

1. For details, see "Fiscal Dividend," Economics Department, Royal Bank of Canada, September 1997.

THE COST OF DOING NOTHING
A *Call to Action*

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Charles Coffey

On behalf of Royal Bank, I would like to welcome you here today. I know that many of you taken time from your very busy schedules to be here today and I hope my colleague, John McCallum and our friends at CANDO have provided some food for thought. I would particularly like to thank Phil Fontaine, National Chief of the Assembly of First Nations and the Honourable Jane Stewart, Minister of Indian Affairs and Northern Development for joining us. Your participation today marks the beginning of what I hope will be a three-way effort among Aboriginal peoples, governments and Corporate Canada to address economic development and opportunity for the First Peoples of Canada. The Royal Commission on Aboriginal Peoples was released one year ago. The final report represents a significant piece of work — full of research, analysis and recommendations. The report has provoked much discussion among Aboriginal peoples and some coverage in the national media. But the business community, with a few notable exceptions, has said little about it. At Royal Bank, we see Aboriginal issues as a matter of concern for all Canadians and Aboriginal economic development as having a significant impact on the national economy and the corporate sector.

For this reason, last spring we gave some thought to how we might stimulate discussion in the corporate sector about the issues raised in the Royal Commission. With CANDO — one of Royal Bank's long-standing partners in Aboriginal economic development — we decided there would be value in holding a forum where business people could get a better understanding of Aboriginal economic development issues and their impact on the corporate sector. Today, we have the fruits of that joint effort. I would like express my thanks to CANDO and the members of its Education Committee for the work that has been done for this event. The theme of this session is "The Cost of Doing Nothing." The phrase itself is one which invites questions. What do we mean by it?

We've heard from earlier speakers about the historical and contemporary inequities of Aboriginal people in our society — the painful costs that have been borne by individuals and communities. We have heard Royal Bank's analysis of the fiscal cost of doing nothing. These costs are significant and serious. They concern us deeply — as individual citizens who care about the society we live in and as corporate citizens concerned with broad and sound public policy.

But, our interest in and advocacy about relationships between Aboriginal peoples and Corporate Canada go beyond corporate citizenship and public policy. Good relationships are also smart business. With this in mind, the costs that I want to explore with you today are the opportunity costs of doing nothing — the missed chances,

Charles Coffey, Executive Vice-President, Business Banking, Royal Bank of Canada

foregone gains — a future less than it might otherwise be.

Put another way, I want to explore with you the business case for expanding and strengthening corporate Aboriginal relations. When people ask me what my job is at Royal Bank, I often respond with a very short answer. My job is to create shareholder value. It's a duty that I take very seriously and one which guides all my business decisions. I see my own relationships with Aboriginal people — and those of others in the Bank — as contributing value for our shareholders. I'm well aware many business people don't always grasp the business benefits of relations with Aboriginal people and communities. For the Bank, however, the business benefits are clear. We see a significant and expanding market opportunity. The rapid increases in the Aboriginal population represent new customers. Land claims represent increased economic and financial clout of Aboriginal peoples and communities. The Aboriginal business sector — which has grown at a dramatic rate in recent years and is steadily moving the Aboriginal population towards economic self-sufficiency — is generating wealth and creating jobs.

A demand for financial services — and increasingly sophisticated financial services — is only one result of the demographic, political and economic changes within the Aboriginal community. Royal Bank needs to respond to those demands. To do less would be a disservice not only to our customers, but also to our shareholders. The business reasons for building good relations with Aboriginal peoples go beyond market opportunity alone. Aboriginal people are becoming an important source of new entrants and new skills for the workforce. Many companies are benefitting from having long-term, stable and reliable employees on board.

Economic relationships with Aboriginal people, through employment, contracting, purchasing or joint ventures are contributing to community support for resource development.

Relationships with Aboriginal peoples can bring new knowledge and values into the corporate sector — especially in terms of respect for land, traditional knowledge and sustainable development. And a track record of establishing mutually beneficial relationships with Aboriginal communities can even open international opportunities for Canadian companies. It's clear to me that the potential business benefits of relations with Aboriginal people and communities are aligned with our underlying business objective of creating value for our shareholders.

I believe other businesses would arrive at the same conclusion if they took the time to make a similar assessment. Many businesses also face a practical challenge — that of developing corporate strategies and day-to-day business practices that win the business benefits. Learning, adaption and change are the order of the day. These notions should not be alien to any business in Canada — the 1990s have shown they are the prerequisites to corporate survival and growth.

At Royal Bank we've learned the importance of taking a long-term perspective — often much longer than the next quarterly report. We've had to learn new protocols in order to develop a better mutual understanding. And we sometimes have to step back and remind ourselves that our business relationships with Aboriginal people and communities — our banking, lending and other financial services — are in fact part of a holistic set of relationships where education, training, employment, partnerships and community relationships work together to form a basis for mutual benefit and sustained results.

Let me illustrate how Royal Bank has focussed its efforts. First, we want to help Aboriginal youth as they prepare to be the future leaders in their communities. Our Native Student Awards Program provides five Aboriginal students with $4000 for each year of their post-secondary education. We've made a start in this area, and since 1993, a total of 24 students have received these awards, 13 of whom are currently receiving funding. We've a Stay-in-School program which encourages young people to pursue post-secondary education. We have pledged $250,000 to the Saskatchewan Indian Federated College's Building Fund and provided a $100,000 grant, over four years, to endow the Education Foundation arm of the National Aboriginal Achievement Foundation, formerly the Canadian Native Arts Foundation. Second, we are committed to assisting Aboriginal communities in their efforts to achieve and sustain economic self-sufficiency. Royal Bank was the first bank to open a full-service branch in a First Nation community. We now have four such branches and one branch in each of the three regions of Nunavut. Royal Bank was a founding sponsor of CESO's Aboriginal Services' national project with several MBA programs. Students work on a specific economic development project in a First Nation community, not only helping to

improve economic development opportunities for the community but at the same time gaining greater awareness and sensitivity to Aboriginal issues.

With more than half of aboriginal Canadians not living on native lands, we are also focussing our efforts on urban centres. Our partnership with the National Association of Friendship Centres has led to the support of more than 120 such centres across Canada.

Royal Bank has established First Nations lending criteria and guidelines to help First Nations and Aboriginal companies with their financing requirements. Royal Trust is the only major financial institution to have established a national First Nation's Advisory Service for Aboriginal communities for investment, trust and land claim settlements. Third, we support training initiatives for Aboriginal communities and entrepreneurs. We provide financial and risk management training to Aboriginal people. Our contributions to CANDO are helping to develop entrepreneurial training seminars and the certification program for Aboriginal Economic Development Officers. In New Brunswick, through an alliance with Ulnooeeg Development Corporation, the provincial and federal governments, we have launched the Young Entrepreneur Small Business Loan Program, which is available to First Nation entrepreneurs who are under the age of 29.

Have we achieved our goals? Not yet. Do we have a distance to go? Certainly. Are we on the right path? We believe that we are. What will it take for Corporate Canada to become more committed to building business relationships with Aboriginal peoples? We know that in the past decade the awareness of Aboriginal issues among businesses has grown. We can see it in the number of companies making commitments and instituting Aboriginal relations initiatives. But the fact remains there simply aren't enough businesses doing this. And, there are both costs and opportunity costs of failing to act. We've learned it's possible for Corporate Canada to create wealth with Aboriginal peoples and for Aboriginal peoples. We're seeing results across Canada. Here in Ontario, for example, Ginoogaming First Nation has reduced its unemployment rate from 90 percent to 10 percent in less than five years and has ambitious economic and resource initiatives to create and retain wealth for its community. It's in the national interest to have more results like these. It's in the business interest to do more.

Royal Bank, for its part, will maintain its course and will continue to make the investments we need to in order to make a difference. I would challenge every business in Canada to look at itself and ask — are we removing the barriers — solving the problems — and providing the opportunities that will enable Aboriginal people to become full participants in our society and in our economy. That task should not be overwhelming. There are practical ways to proceed. Best practices are becoming better understood. Many ideas for steps you can take within your own organizations described in the papers prepared for this conference.

To my colleagues in other businesses — the people who are experienced and knowledgeable — those who've begun to see the business benefits of constructive relationships with Aboriginal people — I would urge you to speak out. Talk to your peers. Share your experiences. Convince others they have a role to play and much to gain from building relationships with the First Peoples of Canada.

The federal government has its own role to play. We're encouraged by the Minister's efforts to renew relationships and chart a new course with Aboriginal leaders. There is much to do, justice, land claims, treaties, social conditions, taxation and economic development. We urge you to carefully consider the analysis of the Royal Commission and to take the steps to get the results that are needed.

These are challenging times for Aboriginal peoples and their leaders. Economic development is but one area where you are working to reestablish control as a means of fostering healing and political, social and economic well-being. Within this context, Aboriginal-corporate partnerships hold tremendous potential. I believe that together it is possible to achieve more. We know there are many working partnerships across the country. But perhaps there should be a formal partnership among the leaders in our communities — a partnership that reflects shared goals — a partnership which enables us to work together to achieve tangible, measurable results.

The message I want to leave with you today is this. If Aboriginal peoples so choose — and when they are ready — we must be there to work in partnership with them — towards goals that we can both share — to get the results that we both need.

Thank you.

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

>> >> >> << << <<

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 country. 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 follow 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.

Statement of Minister of Indian Affairs and Northern Development

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Honourable Jane Stewart

Good afternoon everyone. Karin, thank you very much for the introduction. President Morin, there you are, and President Eegeesiak, Grand Chief Fontaine, Elder McGregor, Charlie Coffey and Angie; it's wonderful to be here as one of the partners with Chiefs and members of corporate Canada to help identify, continue to build and forge a stronger partnership for us together in our commitment to ensuring strong economic development capability in Aboriginal communities.

I want to congratulate the Royal Bank and CANDO for giving us the opportunity to come together, to talk about the Royal Commission and their incredible documentation and picture that work has given us to use as we together find the something that will stop us from doing nothing.

You know, it was just a little over a month ago that our government presented its Speech from the Throne, and first and foremost in that speech we talked about the need to continue to fight the deficit, to get our fiscal house in order, to recognize that we have made tremendous progress, but there is still more that we have to do. And as Mr. Coffey pointed out, what we also identified in that Speech from the Throne is that for us as a government, deficit fighting is not an end in itself, but it is something we must do so that we again have the choices to make that allow us to focus on what government really is, that is, a way and a means of making life better for people. So further in that Speech from the Throne, because we anticipate, because of the incredibly hard work of all Canadians and the success that we are seeing in our fight against the deficit that we are going to have dividends, that we are again going to do what governments are supposed to be about, to respond to the needs and the hopes of its citizens. And as we move to that position we identified in the speech the areas that we feel are of prime importance today for Canadians.

We talked about the importance of our children and our youth. We talked about the importance of modernizing our health care system, a system that really does define us as a nation. We talked about the importance of working together, to identify the impact of this changing economy we are coming to know, the knowledge-based economy, and how we together can ensure that Canadians connect with that economy and move into it and benefit from it as quickly as possible.

But also in that Speech from the Throne — and this as Minister of Indian Affairs is what I'm particularly proud of — we identified in each of those sections, in each of those hopes and dreams of Canadians, that in fact those are the same hopes and dreams of Aboriginal Canadians, that indeed our First Nations, our Inuit, our

Honourable Jane Stewart, Minister of Indian Affairs and Northern Development

Métis are concerned for their children, their children who have a higher mortality rate, their children who suffer from fetal alcohol syndrome, fetal alcohol effects and other barriers that hinder them from participating fuller in their later lives.

In the Speech from the Throne we recognized that Aboriginal people are concerned for their youth, the employment opportunities that just aren't coming as fast as we need them, unemployment levels that are far above even those too-high levels facing non-Aboriginal Canadian youth, and the fact that suicide rates are five to seven times higher for Aboriginal youth than for non-Aboriginal youth.

In the Speech from the Throne we identified too that Aboriginal people want to be part of this new economy and through education, partnership, they can be part of this knowledge-based economy, recognizing though that so many of the communities are remote, not just rural, remote. And the issues that they face in that regard are different and more intense.

Recognizing the statistics that John McCallum presented, that I've referred to, the Speech from the Throne also identified that we need to do more, that in fact we as a government have to take very squarely on our shoulders a broader focus, a stronger focus, a bigger commitment to Aboriginal issues.

We write it in response to what our public is saying, what the people that the government serves are saying. And indeed Canadians are saying the government must make Aboriginal issues a priority. Eighty percent of Canadians in a 1996 Angus Reid poll said the federal government should make Aboriginal issues a higher, medium priority, and as we look to other levels of government, provincial government, as I have met with my counterparts, there is an interest, a drive to partner more effectively, to help make things better for Aboriginal people in this country.

Their interests are varied — a focus on economic development, a focus on socio-economic aspects, a focus on justice — but the interest is there, and we have to work together to bring that interest into focus and build programs and strategies that will be effective and give us the tangible results that Chief Fontaine said are so important. We look at corporate Canada. We are here today thanks to corporate Canada — a part of our society that too is saying we want to help, we understand things can be better and we feel we can play a role.

I look at different circumstances, having been up in the North and looked at BHP, the company that is building diamond mines in the Northwest Territories, and the model that they have embraced for resource development that starts with the Aboriginal people that are in that territory, doesn't ignore them, it starts with them. That company built a relationship, talked with the First Nations, has included them in their employment programs and strategies. It's a new model that has to find its way right across this country. I think of the conversations I've had with Brian Smith, the President of BC Hydro, and his commitment and focus and understanding to how important a strong partnership is for BC Hydro to have with the Aboriginal communities in that province. I listened to Charlie Coffey and identified the things that the Royal Bank is doing, directly in response to their commitment to playing a role in making life better for Aboriginal people. And then of course there are Aboriginal peoples, and they too are saying things must change. Things can change. We want a different relationship — you heard the Grand Chief today, you've heard it in Professor Newhouse's comments. And what we have to allow us, to assist us, to harness that interest, to harness that commitment is now the Royal Commission on Aboriginal Peoples.

It's been defined and described in many different ways, but for me as the Minister, the Minister responsible for Indian Affairs and Northern Development, I look at that documentation and take from it the critical message that we need structural change. We need to do things differently and we are presenting to you a way in which to do that. And as I've been through the Royal Commission I find things that we are doing that respond to the recommendations already, and I see many things that are there that together we can build a plan around that will take us much more hopefully, much more brightly into the future together.

When you start with the Royal Commission, for me probably the most important aspect of it is the model of relationship, of the new relationship. Actually you know it's not a new relationship — it takes us right back to the original relationship that we as newcomers had with First Nations and the First Peoples in this country when we met. The model talks about the need for mutual respect, for mutual recognition, for

responsibility and sharing. And with that model in mind I can build plans for the future. You as corporate Canada can build plans for the future, the future that we want to have with Aboriginal people. As I look at the report it talks so dramatically about the need for a renewed partnership, a renewed partnership between Canadians, Aboriginals, and non-Aboriginals. It takes us to those issues of mutual respect and mutual recognition, and you know, as we build and think about that new relationship, we have to, we have to find its foundation in the treaty process.

Ladies and gentlemen, when people ask me about what it is to be Canadian or what distinguishes us as Canadians any more, I talk about the treaty process. I talk about the fact that when the newcomers came to this vast territory and were met by its First Peoples — while there were skirmishes and difficulties and questions and challenges — the fundamental relationship that we chose to build was a treaty relationship — a relationship of peace, a relationship that understood that together we could live in a great country, benefit from its bounty and be friends, peacefully. It's that treaty relationship that will help guide the renewal of our relationship.

It's the fiduciary responsibility between the parties, Aboriginal people and the Crown, that we always have to be conscious of — those commitments that said we will help each other just as in the very early days Aboriginal people helped the newcomers understand the land, the food, how to get on and how now and through the course of time we've provided health, education, and other programs, but that fiduciary responsibility, mutual responsibility for each other, is still very much a part of what we have to build.

In the Royal Commission there's a great deal of conversation about the aspect of governance, and in the Speech from the Throne we identify the importance of working in partnership with Aboriginal people to build good, solid Aboriginal government. We need to have a government-to-government relationship, one that is defined and understood, that is reflective to Aboriginal people of who they are, what they are and what they want in their leadership, one that we can understand as the federal government, as provincial governments, as corporate Canada, as individual Canadians, so that the partnership can flourish because if we don't understand and can't describe ourselves we can't be functional, we become dysfunctional, and we see blockades and we see arguments and we see stereotypes built and we see people being unable to talk. Strengthening that government-to-government relationship is critical and it is based on an understanding of how important it is for Aboriginal communities to govern themselves, to be legitimate, to have the power and the resources they need to govern. We have to focus on that and on the issue of accountability, and as Chief Fontaine said, it is with that control that accountability will increase and improve, and I believe that sincerely.

When I look across the country and as I've had the chance to travel I see with great optimism the strength and value of self-government. I know the new President must be very proud of what is happening as we develop Nunavut. Ladies and gentlemen, this is a symbol of democracy in action, that here in this country we are not static, that we understand democracy is changing and we are building a new territory that will be reflective of the people that it is going to govern. Eighty-five percent of the population in Nunavut is Inuit, and they will have a government that is reflective of who they are and reflective of the kind and model of governance that they want. It's a tremendous challenge and together we will do it right, and it will be a beacon in the world of how democracy can change and respond to the people that it represents.

I think of the Yukon and the self-government agreements that we have with First Nations up there. I had the benefit of signing some of the final agreements, and as those are being signed and inked, we are seeing First Nations join together in larger communities. I'm thinking of the northern Toshone here, who are naturally coming together and wanting to share their resources so that they have the capacity and the capability to use their resources as wisely as they can for their people, and this is an indication that the suggestions made in the Royal Commission, that Aboriginal people will come together in larger groups to maximize the resources available if given the chance — it's happening. And we talk about modernizing the treaty system and indeed, in Alberta and Saskatchewan and Manitoba we are doing just that — looking at the treaty relationship, understanding it and modernizing it. And in British Columbia, where we didn't get a chance to write treaties — for whatever reason, we either got tired or lazy or whatever — we are now actively

pursuing the development of a full treaty relationship with the Nisga'a, with the Sechelt and with others.

When we talk about governance and capability, we can't help but talk about the fiscal relationship. Larry Sault is here, and Chief Sault has done a tremendous amount in supporting the thinking amongst Aboriginal leadership in the area of financing, the fiscal relationship and the requirements we need to have so that First Nations and Aboriginal communities and governments can be autonomous — concrete, autonomous and effective. When we talk about this fiscal relationship we do indeed have to have a system of transfers that is predictable, that allows the government to make decisions and function appropriately. We have to talk about access to resources. We have to talk about own source revenues, some very difficult things, taxation. But it's happening; it's happening because of the work of Chief Sault and so many others. In the province of Saskatchewan we have a table, a fiscal table with the First Nations, the province and ourselves building that new relationship, and I know, having met with the Chiefs of Ontario, that there is a strong interest in this province to do the same thing. And then we get to what this is all about. As I say the role of government is not about power. The role of government is to be a mechanism to make life better for people, and so greatly described in the Royal Commission are the issues facing individual communities, individual Aboriginal people that are not great, and the focus on building strong communities is where we're going to find the tangible indications that we can do things differently and there can be a positive result. And it's here, it's here in this area where corporate Canada can probably play the most significant role.

First and foremost we have to settle land claims, we have to find that land base that will allow communities to feel at home and comfortable. Along with those land claims comes money, because in many cases we can't supply all the land, and with that money comes the capability and capacity to do the kinds of things that Chief Sault was speaking to you about first this morning — building an economy for his community, a commercial plaza among other things. As the federal government and as the Minister, I understand the importance of settling these claims and the value that it, they have, not only for Aboriginal people but to all Canadians. It's a piece, an important piece to encouraging economic development and improving the social aspects in our First Nations communities.

Beyond that we talk about the need to restructure our programming. The provinces as you know have spent the last number of years understanding welfare and how the dependency model that we have managed to develop over the years isn't appropriate for today. They have made changes in the provinces, but we have yet to make that change in our relationship with First Nations, and again so clearly in the Royal Commission it was indicated that this model of dependency has to be dealt with. We have to change just as the provinces have been changing, and we need their support and encouragement, and the leadership of the First Nations and the Aboriginal people in this country want that change but as we make the change, as we move away from a dependency model, there has to be something to move to.

We need jobs; we need full robust economies. We need opportunities, and we need that partnership to allow us to build those economies so that we can have a social assistance system that is a trampoline, that encourages and has opportunities for those who find themselves without work, have some support, that are allowed to get training and experience for a job or a business that is there for them to move into, and to make their contributions.

Today we've heard of so many examples of how that's happening. Professor Newhouse talked about the different ways in which you as corporate society can begin to now play a role. What I am suggesting though is you don't have to think of the relationship that we have with First Nations, with the Inuit, with the Métis as having to be directed through the federal government. I do agree that the relationship that we've had in the past has created a model where as soon as we say Native, Indian, Aboriginal, Indigenous Person, people think "Oh, that's the federal government," and everything stops. But we have to blow that up. Aboriginal people are not just in this country, they are of this country, they are friends, our neighbours, and you can talk to them directly. John McCallum said it right at the end of his comments. I was afraid he was going to say that we, corporate Canada, have to talk to the federal government about what we can do, but he said we, corporate Canada, have to talk to the First Nations about where we can help and that is the right connection. This is all part and parcel of defining how we all fit in, painting

the model, painting the pictures so we know the lay of the land and we know how to partner communicate and evolve with each other.

Ladies and gentlemen, I can't tell you how optimistic I feel about our future together. As I hear the Grand Chiefs speak, as I hear Charlie Coffey speak, as I hear the professor and others talk about the issues that we face, we're saying the same thing. We're all on the same page. The stars are lining up for us and the challenge that we face is to not miss the opportunity. The opportunity is here, the time is right, Karin, as you point out. We've taken a long time to get here but by golly we're here, and if we're able to paint the same picture, if we're able to see it together in somewhat the same way, I am absolutely convinced that we can find the plans, the strategies, the models, the pathways that will allow us to move from doing nothing to doing something and to doing something very significant. Thank you very much.

Statement of Grand Chief of the Assembly of First Nations

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Grand Chief Phil Fontaine

Madame Minister, Distinguished platform guests, ladies and gentleman...

I want to congratulate CANDO and the Royal Bank for sponsoring this important and timely gathering. There has never been a better time for corporate Canada and First Nations to join hands. There has never been a more opportune moment to confirm friendships than the moment we are sharing today.

Loyalty and trust are at the very root of successful partnerships and I want to pay tribute in front of this distinguished audience to my friend Charlie Coffey. Charlie is a leader who leads by example. He leads by putting is heart into everything he does.

In my own province of Manitoba, Charlie used his years as a senior executive at the Royal Bank to help realize the potential of our people's energy and talent. His devotion is more than social responsibility; it is a labour of love.

He established innovative program on our reserves. He helped create a strategy to rebuild First Nation's economies throughout the province. He used his position and influence to advance entrepreneurship wherever he went and with anyone who would listen. He is truly a visionary whose pioneering work offers inspiration for those who will follow.

Charlie is an honorary chief in Manitoba and has been given an eagle feather and a star blanket. There is no higher honour we can grant and there is no one more deserving.

Now is the time to take such examples of leadership and spread them right across the land. First of all, for most Canadians, economic times have never been better and governments of every stripe can take their share of credit.

Budgets are balanced or nearly so, interest rates are lower than they have been since our parents bought their first homes, inflation barely registers, unemployment is dropping, however slowly, and Canada's competitiveness in global markets is strong.

Look at your own businesses. Profits are at a record high, and these buoyant times bring with them renewed calls for corporate and social responsibility. Now is the moment to capitalize on the good news; to invest in our children's future, to reinvest in our communities, to bridge the economic gap between First Nations people and other Canadians.

The Royal Commission on Aboriginal Peoples makes no bones about the risk of delay. The status quo is not good enough and its recommendations to pump investment into First Nations' communities is a forward-looking one. The time to move our people away from dependency towards self-sufficiency is now. RCAP says the cost of the status quo was $7.5 billion in

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Phil Fontaine, Grand Chief of the Assembly of First Nations.

1996 and will grow to $11.0 billion by the year 2016.

Do we want to stand-by helplessly as the power of inertia paralyzes our people? NO. We refuse to sink deeper into the depths of dependency and despair. With the help of our friends, we will move forward, with determination, energy and hope.

We know that history informs the present and can foreshadow the future. I do not want to dwell on the misery that history has dealt out to my people, but we cannot ignore the scars and the pain. Before contact with Europeans we were self-sufficient. We developed trade and commercial links between Indian nations that produced working economies.

But as the CANDO background paper points out, contact with those millions who came, as a result, I want to tell you, of our exceedingly generous immigration policy, access to emerging economies was denied; access to capital markets and credit for First Nation people on reserve was denied; access to land for market gardening was denied. Dislocation and a loss of traditional ways led to despondency and dependency.

And there is pain to heal as well.

That is all I want to say about the past. I want to focus on opportunity, on the exciting potential that continuing partnership with government and the private sector can offer our peoples.

When we look at that future we cannot ignore the importance of taking control over our lives. Control means political freedom and that means self-government. This is more than political science and were talking about here.

It is worth reflecting on studies in the United States that show a direct link between self-government and economic development; as self-government takes root, economic development blossoms. That is only common sense because as people gain more control over their own lives, as they manage their natural resources, as they police themselves and administer their own justice system, it follows that jobs and entrepreneurship will not be far behind.

Leaders of the other two levels of government know very well that control over their own affairs is the only way to assure accountability. We are no different. And we insist on the same level of accountability in our own political culture that non-aboriginal Canadians demand in theirs. It is hard to believe, but First Nation Canadians have only enjoyed the right to vote since 1960. Our political systems developed in different ways in different places, but the principles of democratic rule and accountability to our electorates are vital to us.

We ask for our diversity to be respected, just as we respect the diversity among governments at the federal and provincial levels.

I want to say to the minister of Indian Affairs, the Honourable Jane Stewart, that she can rely on her First Nation partners to be constructive, but assertive, respectful but mindful of our rightful place in the Canadian family.

I want to tell her that we will never abandon our right to self-government and we will honour always the treaties negotiated in good faith by our ancestors.

But it is not enough to talk about rights. We must also affirm our responsibilities. We are committed to self-sufficiency and that means we are responsible for our development and our own well being. We need our friends, we need you in this room, to offer encouragement and support. We need your good faith and your partnership to realize our full potential but it is First Nation people who must become the architects of their future, as individuals and as communities.

Nothing is more important to a young person than a job and nothing leads faster to a job than education. The more First Nation businesses that spring up the more jobs for our people on and off reserve. The news is good, but not good enough.

On the entrepreneurial front we can proudly boast that First Nation people now own 10,000 businesses across Canada. Compare that to the several hundred businesses under First Nation ownership as recently as the 1960s and you begin to realize how far we have come and how far we must travel still.

The Royal Commissioners say we must create 300,000 jobs before the year 2016, a staggering number and a daunting task. But, with the help of our friends, we will rise to the challenge. Just look at the number of First Nation peoples in colleges and universities across Canada today. The total is now more than 40,000. With knowledge comes power and with knowledge comes hope to fight the despair that for too long has blocked our path.

When our young people graduate from college or university they will be positioned to benefit from those improving economic conditions I spoke of earlier. They will have the poise and

the confidence to strike out on their own and establish new businesses or find good jobs. They will become role models for their brothers and sisters who will see that hard work and patience, discipline and determination are the ticket out of poverty and hopelessness.

It is important to remind everyone within shouting distance, of these uplifting stories. Too much of what we hear about First Nation people is negative and depressing. At every opportunity, all of us must sing the praises of those who have overcome the barriers and made better lives for themselves and their families.

I want to thank the men and women in this room for the encouragement and support you have given us. Your industry truly has taken the lead in hiring our young people, motivating our entrepreneurs and offering services to our people.

You have well-developed social values and you are successful business people. You know that more and more First Nations people are entering the workforce, that our birth rates are high, that migration to the cities means customers are on the loose. Your stake in our success is not only emotional or motivated by conscience, but it makes good business sense as well. What is good for First Nations is good for Canada.

We welcome your partnership and we embrace a future of continuing co-operation and friendship. Let’s get on with the job.

THANK YOU

Journal of Aboriginal Economic Development

Submission Guidelines

The Journal of Aboriginal Economic Development is a peer-reviewed journal for practitioners and scholars working and researching in areas relevant to aboriginal economic development. Its intent is to explore ideas and build knowledge in the field of aboriginal economic development theory and practice. The journal prefers a broad interpretation of research and knowledge and encourages a wide variety of forms of contributions in this area.

JAED features four sections: **Learning from Experience**, **Lessons from Research**, **Reviews of Current Books and Literature**, **The Royal Commission on Aboriginal Peoples** — each with its own editor. Please send five copies of your manuscript. Contributions may vary in length, depending upon the section they are written for. We are looking for submissions in the range of 20–25 pages or so or about 5,000 words for research papers, book reviews of about 1,000 words, and experience sections of about 2,000–3,000 words. Manuscript submitted should be single spaced with 1.5 inch margins all around and page numbers at the bottom middle. The title page should indicate the section for which you are submitting. All identifying information should be restricted to this one page. Review for publication will take approximately 6–8 weeks from time of receipt.

Manuscripts should be sent to: Kevin Fitzmaurice, Assistant Editor, Journal of Aboriginal Economic Development, Department of Native Studies, Trent University, Peterborough, Ontario, Canada, K9J 7B8. A copy of the final revised manuscript, in WordPerfect® 5.1 or later or Microsoft Word® format, saved on an IBM-compatible disk should be included with the final revised paper copy. Research submissions should conform, where practical, to the *Publication Manual of the American Psychological Association* (4th edition), however the journal is flexible in its format and encourages creativity and innovation.

Submission of a manuscript implies commitment to publish in the journal. Submission to JAED implies that the manuscript has not been published elsewhere, nor is it under consideration by another journal. Authors who are in doubt about what constitutes prior publication should consult the editor.

Learning from Experience from practitioners, academics, consultants and executives include interpreted case studies, evaluation and commentary on popular and current approaches and tools of aboriginal economic development, advocacy of particular approaches and solutions, successful or failed efforts, and the identification of important economic development problems that are in need of solutions.

Lessons from Research from academics features scholarly inquiry, debate and commentary on how we frame, perceive, interpret, research and contribute to the field of aboriginal economic development.

Reviews of Current Books and Literature features recent literature exploring aspects of economic development relevant to Aboriginal peoples.

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