



W'áném't'a

HEILTSUK ECONOMIC DEVELOPMENT CORPORATION

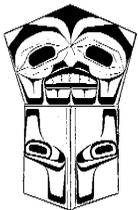
Volume 4 Issue 2

MAY 2010

Reconciliation Protocol Links to Expanded Forestry Business for HEDC



Chief Councillor Marilyn Slett



Chief Councillor Marilyn Slett has worked hard for some time on the Turning Point initiative leading to the signing of a recent Reconciliation Protocol between six coastal First Nations and the BC government. “We see the agreement as a stepping stone that opens the door for Heiltsuk to many other possibilities,” Marilyn related in a recent interview.

The 28 page Government to Government Protocol is related to the land use planning underway for more than a decade in Heiltsuk territory and the Central, North Coast and Haida Gwaii areas. After careful consideration the Heiltsuk First Nation and five other first nations along with the BC Premier have now signed the Protocol.

Among other things the Protocol will result in a significant increase in timber tenures for the Heiltsuk including the allocation of replaceable timber volume of 47,000 cubic metres and up to 299,000 cubic metres of new non-replaceable timber volume. The final timber details will be resolved

following negotiations with the BC Ministry of Forests and Range.

The 47,000 m³ of replaceable volume means this is a permanent allocation of timber and is of greater long term value and more sustainable than the non-replaceable volume. “Currently conditions in the forestry business are not good but they are improving and this new allocation of timber for the Heiltsuk will provide the opportunity for more jobs and income in the future” said Jim Richardson, HEDC CEO.

Continued on Page 3

INSIDE THIS ISSUE:

- MITACS-UBC Project
- Coast Sustainability Trust
- Ocean Falls Memories
- Bella Bella Liquor Store
- Partnerships Key to Success
- Native Wisdom and Canada
- Dumont Retires from BoD

W'áném't'a

(pronounced *Wa nem da*) means to trade or exchange, reflecting historical Heiltsuk leadership in trading of furs, seaweed, and other products which underlie the important business relationships with outsiders to sustain our community.

Heiltsuk Economic Structure and Roles

Heiltsuk Tribal Council

Chief Councilor Marilyn Slett, Rhoda Bolton, Frances Brown, Vanessa Gladstone, Marilyn Hall, Harvey Humchitt, Maria Martin, Earl Newman, Medric Reid, Don Vickers, James White, Mavis Windsor

- * Establish economic development vision
- * Appoint Bare and Reversionary Trustees
- * G to G dealings on business opportunities
- * Review HEDC Strategic and Business Plans
- * Direct HEDC surplus funds distribution

Bare Trust

Alvina Duncan, Connie Newman, Pat Housty, Leona Humchitt

- * Create a stable, competent board
- * Recruit and Evaluate HEDC Directors
- * Hold HEDC shares in trust
- * Express Shareholder's Expectations to HEDC
- * Review HEDC Strategic Plan

Reversionary Trust

Stephen Hunt Jr., Gilbert Jackson

- * Hold HEDC surplus funds in trust
- * Distribution of surplus funds on HTC direction
- * Review HEDC Strategic Plan
- * Serve as a limited partner for each LLP

HEDC Board of Directors

Saphire Humchitt, Larry Jorgenson, Lois-Anne Arnold, Kelly Brown, Michael Reid, Cecil Reid, Wilfred Humchitt

- * Corporate and Business Governance
- * Strategic planning for economic development
- * Recruit and oversee CEO

HEDC Chief Executive Officer

Jim Richardson

- * Business and Human Resource Management
- * Business planning and cost control
- * Implementation of Strategic Plan
- * Community relations

HEDC Business Managers

- * Operate effective and efficient businesses
- * Business Plans
- * Generate profits and surplus funds
- * Customer Service

Heiltsuk Fisheries Management
Allan Reid

Waglisla Post Office
Marilyn Hall

Bella Bella Airport Authority Ltd
Glenna Singleton

Waglisla Band Store Ltd
Pat Housty

Waglisla Hardware Ltd
Charles Gladstone Sr

Heiltsuk Coastal Forest Products
John McLaughlin

Waglisla Cablevision Ltd
Victor Jackson

Lama Pass Fuel Ltd
Mike Wilson

Waglisla Freight Ltd
Ted Abery

First Nations Business Advisory
Saphire Humchitt

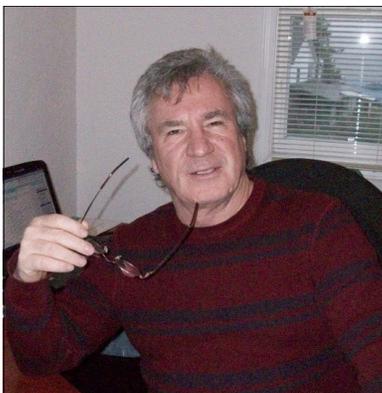
Reconciliation Protocol Confirms Many New Relationship Aspects

Other aspects of the recent Protocol include:

- A significant change in shared decision-making affecting resource decisions in Heiltsuk territory through a new engagement framework
- Sharing of Carbon offsets that may develop from conservation measures and changes to forest practices as a result of the Central Coast land use changes.
- New opportunities for Heiltsuk participation in conservancy management and tourism developments
- Opportunities for Heiltsuk in alternative energy proposals in its traditional territory.

According to Chief Slett “the ball is now in the Heiltsuk court to make this significant agreement an operational reality-everything from developing a community energy plan to getting it right with respect to new shared decision-making powers” Jim Richardson, noted “this new agreement really helps the long term plans for our forestry business and shows the effectiveness our leadership and the advantages stemming from many First Nations working together and getting solid benefits from government”.

Partnerships and Joint Ventures Can Fast Track Business Capacity



Jim Richardson, HEDC CEO

Those in business or those wanting to get into business will be faced with obstacles related to an economic downturn, a lack of management expertise, a lack of expertise in the business you wish to operate or a lack of money to grow or start your business. There are various strategies you can use to help deal with these obstacles. A partnership or joint venture are common strategies and the subject of this article.

A partnership is a common business arrangement. The form of any partnership is written in a partnership agreement which is a legally binding document. It is important to have a lawyer draft and process the agreement for you. A partnership can take many forms and does not necessarily mean equal partnership whereby profits or losses or management is shared equally. Getting back to the Tim Horton’s idea from our first article, you may lack the cash necessary to cover all of the start-up costs including the franchise fee. A friend of yours may offer to help by lending you some money but she does not want to get involved in the day to day management. In this case you may structure the partnership agreement such that you agree to pay back the loan from your friend and

give her an ownership stake whereby she will receive a percentage of the profit as you both agree to. The share of the profit would normally be split in your favour as you are paying back the loan and doing the day to day management of the business. The point of any partnership agreement is to reflect the importance of what each partner brings to the table (money, management, expertise or other assets) and how they mutually agree to share management, profit and loss.

A good example of a partnership is the one our forestry company, Heiltsuk Coastal Forest Products Ltd, has with A&A Trading Ltd. A&A Trading Ltd has experience in brokering logs. Simply put, they help by doing forestry engineering, selling our logs and getting

them to market for us. They also lend us the money necessary to build roads and other costs associated with logging. In return, we pay them a small percentage of each cut and repay the money they lend us plus a small interest charge. It is a win-win situation!

Joint ventures are normally a bit larger in scale but involve the same idea as that of a partnership.

Joint ventures normally involve existing businesses who want to expand their market reach or enter into a new business idea by forming

Continued on pg 4

Many Innovative Aspects to Good Business Deals

a strategic alliance of some sort identified in the joint venture initiative. It does not involve a merger where ownership is transferred from one business to another.

A good way of explaining the strategy is to relate to a real life situation. For example, as the CEO of the Heiltsuk Economic Development Corporation, I am faced with the issue of wanting to grow our existing companies and positioning them for profitability and the desire to move forward in search of new businesses opportunities. As a new corporation, we are faced with many obstacles which will eventually be overcome by establishing our credibility with a solid track record of sound financial management and profitable businesses. In the meantime, how do we leverage to move forward?

An example of a joint venture may be to have some company use some of our tank fuel storage capacity. We have excess capacity so we could enter into a joint venture agreement whereby a company would use some of our storage capacity in return for us getting a reduced transportation cost for fuel and drawing down on fuel when we needed it without ever having to worry about running out between shipments.

Another example could be to enter into an agreement with the company that provides us with power from Ocean Falls. They could perhaps help us get into some Bio Mass project for a value added initiative as part of our Forestry operation. That could be in the form of a wood pellet plant, for example. They could bring some money and expertise to the table and in return for helping us grow we consume more of the power they generate and it is a win-win. Perhaps they could help us set up a green house if we get the fish plant up and running. We could use the fish waste as fertilizer and grow most of the fresh vegetables that we now have to fly in. Again, they would help us grow to consume more of the power they generate. The above are just hypothetical examples but they do show how we can leverage a joint venture to grow our business reach.

I value your feed-back and would like to write about business matters you are interested in. Let me know what you think -Call Jim at 250 - 957-2217

Dumont Retires from HEDC Board



Bill Dumont

One of the longest serving HEDC Board members, Bill Dumont left the HEDC board at the end of March 2010 after almost 4 years of service to the development corporation. "I have seen HEDC develop from a good idea and a goal for the Heiltsuk into a modern corporation with a competent CEO and

a bright future" remarked Dumont. "There is still lots of work to do but a solid foundation for HEDC is now in place."

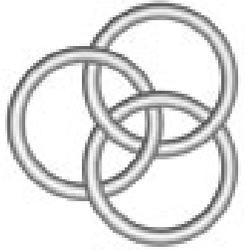
Alvina Duncan, Chair of the Bare Trust, responsible for appointments to the HEDC Board noted "We would like to convey our deepest appreciation for your wisdom and dedication in service to the board. Your contributions are well noted and respected and we will continue to move forward in a manner of professionalism that you have presented as a board member".

During his term as a Board member Dumont served as initial Secretary to the Board, worked on the mission

and vision for HEDC, integrated the forestry business into HEDC, provided management oversight and served as the Director of Heiltsuk Coastal Forest Products Ltd., worked on the transition process, the Strategic Plan, serves as newsletter editor and assisted with the Governance Manual as well as being an active board member bringing stability to the Board.

Jim Richardson, HEDC CEO remarked "I will personally miss Bill's contributions to the HEDC Board, particularly his knowledge of the forestry business, his good work on corporate governance and his wise counsel on many business issues. Bill was instrumental in the success that HEDC has achieved to date."

UBC/MITACS Partners with HEDC in Business Development



MITACS

Starting this spring, HEDC will be working with graduate students to research new ways to make existing and future HEDC businesses more profitable. This research will compliment the goals of both HEDC and the Heiltsuk First Nation.

The students are working under the MITACS ACCELERATE program (www.acceleratecanada.ca), a national internship program that connects companies and other organizations with research expertise in Canada’s universities. MITACS stands for Mathematics of Information Technology of Complex Systems and the program was originally focused on research in mathematics and technology. MITACS ACCELERATE focuses on broader areas like arts and business and funds research to overcome current problems and issues that Canadian businesses face.

The HEDC MITACS interns will spend time in Bella Bella researching business strategy issues first hand, while also researching at their home Universities under the guidance of supervising professors. The interns you’ll see are Neil McGuigan, Adam McKechnie, Joanna Pedersen and Rachael Kitagawa. Neil, Adam and Joanna are graduate business students and will be looking at new opportunities for the fish plant and community banking service. Rachael is a graduate architecture student and will be doing pre-design work for a possible new commercial centre in Bella Bella. Neil, Adam, Joanna and Rachael come from the University of British Columbia (UBC).



Chris Hild
Project Manager

The MITACS program is normally set up so that the federal and provincial governments would match funds invested by HEDC. However, because HEDC would like a number of issues investigated, the company qualifies for a “leveraged” funding arrangement. This means that HEDC will contribute just 35% and the other 65% will come from the government partners. This also applies to how HEDC gets top quality student talent – being a part of this program allows HEDC to access graduate talent that it otherwise might not have access to. HEDC gained access to these students because of its involvement with Coast Opportunity Funds (COF) and the Centre for Sustainability and Social Innovation (CSSI) at the Sauder School of Business (UBC). CSSI focuses on sustainability in business and has made First Nations development one of its strategic areas of work. Neil, Adam, Joanna and Rachael have expressed a great interest in working with HEDC on developing alternative solutions for the community’s benefit and will receive management and office support from CSSI (www.cssi.sauder.ubc.ca).

As a result of this research and partnership, HEDC is continuing to work from its foundations for success and seeks to provide inspiration for the community to change. These efforts will continue to support HEDC’s vision, in which it will provide the community with money, excellent customer service, employment opportunities, additional services and opportunities to learn. Keep an eye

out for these students in the near future and if you see them, make sure to give them a big smile and wave!



Coast Sustainability Trust Long Time Heiltsuk Partner



Eric Van Soeren
Coast Sustainability
Trustee

Economic development for the Heiltsuk will be a long road and require many partners to make a real impact on our community and its economic well-being. Partners, joint venture businesses and business associates are key players in our long term strategy.

*Starting this month Wanemta will highlight each of our important partners and acknowledge their vital role in moving ahead. As well, we will provide readers with information about specific partners and their roles in various HEDC and Heiltsuk initiatives. This month we are featuring the **Coast Sustainability Trust**.*

When British Columbia moved ahead with land use planning in the mid 1990's, government was aware that there would be negative impacts on many stakeholders and First Nations from major land use decisions. Resolving land uses in traditional territories would also result in positive benefits to conservation and long term sustainability.

Most of the major land use decisions affecting regions of BC over the past two decades resulted in some serious economic impacts that required mitigation. In some cases this involved compensation for forestry workers and businesses, communities and First Nations.

In 2002, the BC government established a special trust fund called the Coast Sustainability Trust (CST) totalling \$35 million of which \$25 million was allocated to a Worker and Contractor Mitigation Account and \$10 million to a Matching Funds account. The trust activities covered the Central Coast, North Coast and Haida Gwaii.

By 2005 a total of about \$14 million was distributed to workers and contractors who lost their livelihoods due to land use decisions. The balance of the \$25 million fund plus interest was moved into the Matching funds accounts.

In 2007 more adjustments to the funds were made to support Ecosystem Based Management implementation and to address impacts from EBM implementation on communities and others. The Trustee of the CST is Eric van Soeren, BC's former Job Protection Commissioner who is advised by a 5 member Advisory Board and 5 Regional Steering Committees on which Medrick Reid represents Heiltsuk interests. Since the initiation of the Trust almost \$600,000 has been allocated to 6 key Heiltsuk Initiatives:

- Central Coast Broadband Project
- Heiltsuk Nation Shellfish Co-op
- Koeye Lodge/Heiltsuk Ecotourism Master Plan
- Coastal First Nation Shellfish Aquaculture
- Bella Bella Freezer Plant Upgrade
- HEDC Administrative Support

As Eric noted recently "there are still funds to be allocated from CST to Bella Bella and I look forward to continuing our support of economic development in your community". Jim Richardson, HEDC's CEO noted "we appreciate the on going support of CST for HEDC and welcome their interest in working with us."

HEDC PARTNERS

- Heiltsuk Tribal Council
- Coast Sustainability Trust
- A & A Trading Ltd.
- Coast Opportunity Funds
- Community Economic Development INAC
- MITACS
- Turning Point—Coastal First Nations
- UBC-Sauder Business School



Ocean Falls Holds Fond Memories for Many Heiltsuk

Ocean Falls is the translation of the Heiltsuk name for the head of what is now called Cousins Inlet, about 25 kilometres northeast of Bella Bella. According to the late Heiltsuk Elder Gordon Reid Sr., *Tuxvnaq* means “big sea, out into the ocean” and refers to the wave breaking over a big rock in the middle of the falls coming out of the lake at the head of the inlet. Gordon was responsible for the original mill owners adopting the English translation of the Heiltsuk name for this part of the traditional territory.

The first non-native to discover the potential of Ocean Falls was an enterprising young American named Robert M. Thompson of Tacoma, Washington. He was traveling on the west coast of Vancouver Island looking for mining interests for a Tacoma mining company when he met another fellow, B.F. Jacobsen in Clayoquot. This was the fall of 1902.

While sharing their adventure stories, Thompson learned of vast timber resources in the Bella Coola River tributary area and realized the commercial value of this natural resource. Taking Jacobsen with him as his guide, Thompson then investigated this vast coastal area. Seeing the immense timber reserves, he immediately followed up on the Pulp Lease Act of British Columbia, which had recently been passed by the BC government, by posting and advertising his intentions to secure a large area of timber for a pulp mill.

Thompson returned to Tacoma, Washington, where he and some friends organized the Bella Coola Pulp and Paper Company. This became the first established company with rights to 80,000 acres of timber amongst the inlets and land between Bella Coola and present day Ocean Falls. In May 1903, three fellows from this company came to view their acquisitions and potential in this area. They were; J.F. Keefe, timber cruiser, John Hewitt, Timberland, and Mark Smaby. After spending 10 days in and around Bella Coola, a Nuxalk guide and large



Log Pond at Ocean Falls sawmill 1910—BC Archives

canoe was hired for their further exploration and assessment of the timber throughout the inlets and land of the South Bentinck Arm, Kwatna, Burke Channel, Labouchere, Kimsquit and Dean Channel.

In 1906, following the company's acquisition of 260 acres of land, clearing began for the town and three years later, a sawmill, hospital and school were established. In 1912, the dam was erected and the pulp mill began operating. A Heiltsuk family, the Lak, lived near the lake outfall and was displaced by the mill construction. Many years later a few Heiltsuk ended up working at the Crown Zellerbach Ltd. owned operation, notably Bill Gladstone Sr., Wilfred Humchitt Sr., Garney Reid, Ed White Sr., the late William Newman, the late Richard Wilson and the late Mark Innes among others. Ocean Falls was the largest business enterprise that ever was established in Heiltsuk territory. Hundreds of millions of dollars of pulp and paper were produced by the mill during its more than 70 years of operations.

Population 1912: 250 people. Population 1950: over 3,500. Population 1970: 1,500. Population 1990: 70 Now: about 100. At its largest in the 1950's and 60's Ocean Falls was home to almost 4000 people, a K-12 school system, its own hospital, one of BC's largest hotels and a swimming pool where several Canadian champions trained. While mainly a company town, in the nearby Martin Valley residents could purchase their own single family houses. There were daily direct flights from Vancouver via Grumman Goose and Mallard amphibious planes. Today the hydro power plant, owned by a Quebec firm, still operates to produce electricity for the town, Shearwater and Bella Bella.

Continued on page 8

Ocean Falls Memories Now

Several disasters struck in the course of the years: a major apartment fire in 1950 killed eight, a mudslide in 1965 killed seven; and although the school fire in 1971 didn't result in any serious casualties, it traumatized the little community. It happened the day after Christmas but school was only delayed for 3 days as several of the teachers went to Bella Bella and borrowed school desks and school reopened all over town in any building that could be turned into a class room from the community centre to the legion pub (grade 12 students) to part of the Martin Inn, a 600 bed hotel.

The development of the mill and the town in the middle of wilderness on the BC coast was a remarkable and impressive undertaking. Wilfred Humchitt Sr. noted "it was only an hour away from Bella Bella by speedboat and, of course it was much closer to home than Alberni and other places I worked." When he lived there for 15 years from 1965 to 1980 he worked in Technical Control for the pulp and paper section of the mill that employed more than 1200 people and shipped products all over the world.

"We had great fun playing soccer with the Mexicans, Russians and Norwegians when their ships came to load up pulp and paper from the mill. Ocean Falls was also a great place to educate and raise my family. There were lots to do and my wife enjoyed learning ceramics there. Basketball, bowling, badminton and many different sports were played. Ocean Falls teams visited Bella Bella regularly to compete and kept us on our toes!"



Pacific Pulp Mill—Ocean Falls 1930's

Wilfred's grandfather had a family smokehouse on the Martin River near the falls. He relates that the coho in that river were huge, tasty and plentiful. Fishing was and still is good in the area.

Ocean Falls gets a record annual rainfall and umbrellas and rubber boots were the norm for most of the year when a total rainfall of almost 180 inches-15 feet! (5 metres) keep the town soggy at best. It made nearby Bella Bella seem like a desert at times! Records refer to the odd sunny day in Ocean Falls as "uncharacteristic".

Bill Gladstone Sr. fondly recalls his time in Ocean Falls as a newlywed from 1969 to 1971. He worked in the sawmill cutting 4 foot long blocks of huge timber for use in the ground wood pulp mill. He operated the 108 inch cut off saw bucking up large logs. "We lived in a nice apartment building downtown with cheap rent and enjoyed Ocean Falls. It was a stable and friendly place with lots of things to do. There were many good people there and we mixed well with everyone.

We played lots of different sports. I was making decent pay at \$3.85 per hour, big money in those days". Bill left when Crown Zellerbach pulled out in the early 1970's and the BC government took over the operation. The mill produced mechanical, sulfite and sulphate pulp which was processed on 5 huge paper machines. These included two newsprint machines, two kraft paper machines and one tissue machine all supplied with exceptional wood fibre from the surrounding forests. In the early days hand loggers produced booms for the mill. Later rail and truck logging was common in the area.

What made the mill viable were the initial low labour costs, inexpensive hydro power and low infrastructure costs. However, its remoteness, rising labour costs and high cost of operating a large town site eventually made it difficult to operate profitably. The huge cost to modernize and convert to an efficient enterprise was prohibitive and the mill shut down on May 31, 1980, just a few years after the BC government took it over from the company in 1973. Over the years thousands of British Columbians and others made Ocean Falls their home. Today, only remnants and some small tourist enterprises, the power plant and memories remain.

Bella Bella Liquor Store Works on Improved Customer Service



Garney Reid, Manager
Bella Bella Liquor Store

Garney Reid is one of HEDC's business managers and responsible for Bella Bella's liquor agency store, a job he had been doing for the past five years. He runs the operation with a 1/2 time assistant, Delbert Reid sup-

plemented with a trained casual worker Scott Lawson. Annual sales are now more than \$1 million. The business caters to locals and visitors as well as sales to other licensees such as Ocean Falls, sports fishing lodges and the local Bar and Grill. Local competition is at Shearwater which also has an agency store.

"We own the inventory and sell it based on the BC Liquor Distribution Branch (LDB) rules which permit variation of + or - 10% on government liquor store pricing. We normally have about \$60,000 in inventory in our store. Fortunately the suppliers- LDB and the beer companies- cover our freight costs or our operation wouldn't even get close to breaking even" said Garney.

Customer service is key when competition is just across the water. That includes convenient opening hours that currently are 6 days per week and 8 hours a day. Those hours increase during the busy summer months when the store is open 9 hours a day and increased sales justify the longer hours. "Under HEDC management I now have more control over my opening hours which has improved sales and

convenience to my customers- that's a big change for me" Garney noted.

Holidays and special occasions can generate daily sales of up to \$10,000. Big sellers at the store include Smirnoff's Red Label vodka, Budweiser beer and coolers which are especially popular in the summer. Store staff process credit card, debit and cash for customer's purchasing their products and manage the weekly arrivals of new stock. Of course, First Nations peoples are able to purchase liquor without sales tax which reduces prices by about 13%.

The business rents space from the Band Store and isn't currently faced with any major issues. Security is maintained through a sophisticated alarm system with backup. "We did have one burglary a few years ago but the culprits were caught pretty quickly. Our central location means we are visible and convenient. Customers also appreciated the new ice machine we invested in last year".

Garney's wife Georgina is a licensed practical nurse at the local hospital. They have 4 children and 6 grandchildren. He was born in Bella Bella and went to school in Port Moody and Burnaby. He returned to the central coast to work at Ocean Falls as a papermaker for 3 1/2 years. After the mill closed he returned to the village and worked as a labourer and ran the hardware store.

With his interest in business Garney attended Camosun College and completed a Business Management Course and was top student in his class. He then started the HTC fuel company in 1973 as Manager and ran the new Heiltsuk Hotel for a year and served as assistant Band manager for a while. The next ten years were spent on the saltchuck as a tenderman for BC Packers and a deckhand on a seine boat. He returned to the retail sector in 1984 and ran the Heiltsuk fuel business for 19 years along with Leonard Wilson. Education was key to Garney's success as a business manager.

"In 2004 HTC was offered a Rural Liquor Agency Store franchise and I applied for the Manager's job, got it and have been here ever since" says Garney. There is a moderate amount of paperwork but the financial and accounting end is now handled by First Nations Business Advisory Services, another HEDC company.

HEDC BUSINESSES	
Band Store	957-2373
Airport	957-2868
Cablevision	957-2191
Hardware	957-2672
Fuel Station	957-2440
Liquor Store	957-2300
Post Office	957-2301
Freight	604-472-9400
Fish Plant	957-2324
Forestry	250-668-0244
FNBAS	957-2555
HEDC	957-2217

Native affairs: Native wisdom; Canada's indigenous people have a lot to offer if they can control their fate

This article first appeared in the October 2007 Canadian Business magazine. Bernd Christmas, who wrote this article leads Bernd Christmas Law Group and was the first Mi'kmaq to become a lawyer.



Bernd Christmas and former US President Bill Clinton

In the mid-1960s, a meeting occurred between several chiefs of the Mi'kmaq Nation and the government of Canada. The agenda on the table was an age-old one involving the claims of the Mi'kmaq to the land and waters of their traditional territory in Eastern Canada. During the meeting, one of the chiefs made a comment that was either comical or deeply profound. "I am not a wise man, nor educated in your school system," said the chief. "I, however, have read a few newspapers, a few books and a few historical documents. It is the historical documents that interest me the most, especially the shipping ledgers that itemized every piece of cargo that has ever been sent from outside of Canada to the shores of our great lands. What amazes me the most is the fact that I cannot find any record of how much land your people have brought to North America!

Why is that?"

And, so, we can summarize the history of the relationship between the Canadian government and its indigenous peoples (which includes Metis, on-reserve and off-reserve First Nations, and Inuit peoples) as one rooted in land-claim issues and controversy. It is impossible to ignore this history, which provides the context for the present and will shape our future. Yet, looking to Canada in 2020, the question we must ask is: Will the past continue to overshadow future opportunity — or can a new relationship arise?

The key to a new future lies in successful economic development, where indigenous people are empowered to contribute to the Canadian economy in a meaningful way. The economic potential for both is staggering. The Royal Commission on Aboriginal Peoples 1996 calculated that it costs the government \$7.5 billion annually to provide services such as health care, education and infrastructure to indigenous people. It also calculated that if these same people had complete autonomy — meaning they controlled the lands, including leases, and all businesses and business opportunities on the lands, and access to them — there would potentially be a \$17.3-billion shift on the balance sheet by 2016. Indigenous peoples would actually be contributing to the economy to the tune

of more than \$9.8 billion.

While the assumption at the heart of this calculation — complete land control — may seem like a stretch, I would like to describe a very real example of how a native community successfully turned itself around to demonstrate that it can be done. The end result was that this community's financial situation changed from receiving \$4.2 million in government funding in 1996, to one that has a 2007 budget of \$76 million, \$45 million in assets and is contributing more than \$250 million to the overall economy. In the process, employment has skyrocketed to 680 from 20.

This band of 1,100 based in Nova Scotia, including myself, followed what I call the Progression Model, which can be easily adopted by other bands coast-to-coast to create more financially independent native communities and reshape the financial future of this country. To begin, there was an enormous communications hurdle to overcome, and it straddled both sides of the reservation property line. Inspired by the prospect of change, we had to help those on the reserve understand how those off the reserve think, and understand the motivations and inner workings of government and business, then hold up a mirror to show what the current situation would look like to outsiders. Once we did this, we rallied behind our vision: embracing the global marketplace.

Continued on page 11

Canada's indigenous people have a lot to offer if they can control their fate

We quickly realized that for economic development to succeed, critical business-related policies and procedures had to be developed.

We had to fix our books, establish financial and human resources protocols, and embrace transparency and accountability. The band implemented a Canadian Aboriginal first – it posted its financial statements, depressing as they may have been, on the Internet to demonstrate this commitment to openness.

Further proof of our willingness to change was in the hiring of professionals from the outside world (those community members who had to leave, because no opportunities for their skills previously existed) to work with us. Then we could speak with government, paint a credible picture of what we wanted and why, and show the proof: a financial administration policy, a personnel policy and the like.

It worked. First, we negotiated increased funding to support us in the pursuit of our vision and to enable us to hire experts in health and education, as well as bring business people back onto the reserve. We developed programs to educate the band's government, and worked on our skills –

everything from media training to understanding world economies through a speaker's program covering topics such as the outlook for

the North American economy, world markets, management governance and board governance.

We implemented budgeting practices, started saving and obtained an ISO 9001.2000 designation, an internationally recognized management systems standard that indicates that what you say you do is what you actually do. Then – and only then – were we prepared to go after business, and business would be open to work with us.

We were initially approached by Lockheed Martin to bid on a \$5-billion helicopter deal. Soon, the likes of Boeing, Sodexho, SNC-Lavalin and other businesses such as accounting firms were knocking down our doors. We built a convention centre, data storage centres, and even negotiated for our own Starbucks. All over the span of 10 years.

There are more than 640 First Nation bands, and 1.2 million Aboriginals in this country. If we presume a success rate of only 30% of what this band achieved – that would do nicely. This is a reasonable objective if – and only if – Canadians are prepared to direct their governments to fulfill legal obligations that arise from the first settlement in Canada. The Royal Commission on Aboriginal Peoples 1996 laid out a reasonable plan of action that called for shared sovereignty, and it should be read by all Canadians. The question of land entitlements would eventually be moot.

What is worth noting about the success experienced by the Nova Scotia band is the role of the private sector. Solving the aboriginal challenge was not simply a government-native exercise. Every day, companies build railways, transmission lines, roads, fibre-optic cable lines, pulp-and paper plants, mines and office towers across the country, which often, of necessity, involve encounters with indigenous people and will continue to do so. But more than this, native populations have the potential to be skilled and unskilled workforces that can be engaged by business once both sides understand each other.

For large-scale change along the lines of the case described above, there are a number of philosophical, structural and process changes that need to occur. Canadian society has developed as most societies have.



Continued on page 12

Canada's indigenous people have a lot to offer if they can control their fate

It went from a hunter-gatherer-based economy, to an agricultural one and then an industrial one, and now to a high-tech society. But we, the indigenous people, have missed the industrial age due to a variety of poor decisions thrust upon us, including the Indian Act of Canada, governments sending our children away to residential schools, and a refusal to recognize the inherit rights of aboriginal peoples to their own land and water grounded in the laws of Canada.

Obviously, education is also essential, but it must be done in a way that is relevant. That means, first and foremost, that the educators themselves should be indigenous (which, of course, requires them to be trained somewhere) and the curriculum must involve native history and languages to engage and resonate with the populations they are trying to reach. Education must prepare people for the challenges of working within a global economy. The drivers must be their own people, and emphasis must be on their development.

But adopting the proper financial systems can't be underestimated. The private and public sectors need to have confidence in the fiscal management of the bands they work with. They need to see financial accountability and defined rules of engagement for business interactions, which create a common language and trust that is necessary to do business.

As with teachers, professionals must be trained and then brought to communities to teach these skills.

In short, the indigenous economy should focus on the tools that create a situation of credibility and consistency. Then it will be ready to grab a hold of its new and/or re-educated workforce and prepare for enhancing itself. This could be in the form of developing opportunities through marketing, business and other economic plans involving partnerships, joint ventures or the development of its own businesses.

This progression model will work. It is a model that fits with how Canadians view themselves, both domestically and internationally. It is a model that shows we can work together to make our country a better place to live.

As indigenous economies grow, it is imperative that Canadians seriously consider a more co-management approach to governing. We must allow indigenous world views to be part of the puzzle. How else do we deal with the massive amounts of money it would take to settle land claims? It is surprising how similar and yet different we are.

We can all work together. We share one piece of Mother Earth called Canada. Why fight over it?

Editor's note: HEDC's Jim Richardson was instrumental in convincing Bernd Christmas and Membertou First Nation to proceed with ISO certification.

CONTACT US:

HEDC

Box 950

Bella Bella, BC

V0T-1Z0

Phone: (250) 957-2217

Fax: (250) 957-2247

