



W'áném't'a

HEILTSUK ECONOMIC DEVELOPMENT CORPORATION

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HEDC and Trustees remain committed to working with HTC

On June 8 and 9, HEDC hosted a facilitated workshop for its Board of Directors and members of the two Heiltsuk Business Trusts in response to an identified common need in understanding the current structure of managing and moving forward Heiltsuk business interests. A follow-up workshop is planned for August when the two sets of trustees, Heiltsuk Tribal Council members, and HEDC Board of Directors will meet to move forward through improved understanding, trust rebuilding, and resolution of outstanding transition issues.

At the June workshop, there was strong consensus that everyone supports HTC authority, everyone wants to see the business transition process completed, and everyone agrees on the critical need for regular and constructive communication within the four groups. Trust is essential, and the Trustees and Board committed to working cooperatively with the HTC.

Currently the work on transition is being handled by a committee that includes the Chief Councillor and two HTC members plus three representatives from the HEDC Board. There have been some potholes and bumps in the road moving ahead. HEDC has committed to resolving these and working very closely with HTC to ensure a smooth and orderly business transition. The HEDC Board directed its new CEO, Jim Richardson, to work personally and cooperatively with HTC administration in the transition process.

Saphire Humchitt, interim HEDC Chairperson, said, "We had an excellent workshop with the two sets of trustees focussed on supporting HTC and its vision of how to effectively separate business and political interests." ❖



Workshop participants included (l to r) HEDC CEO Jim Richardson and HEDC Directors Lois-Ann Hanson Arnold, Saphire Humchitt (Interim Chairperson), Larry Jorgenson, Allen Edzerza, and W.E. (Bill) Dumont. See last page for more photos.

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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.

HEDC structure:

Heiltsuk Tribal Council

Chief Councillor Marilyn Slett

- Earl Newman Sr.
- Rhoda Bolton
- Medrick (Bo) Reid
- Elroy White
- Don Vickers
- Marilyn Hall
- Vanessa Gladstone Brown
- Maria Housty
- Joann Green
- Mavis Windsor
- Cameron Brown

Bare Trust (5 people)

The Heiltsuk First Nation Economic Development Corporation Trust or “Bare Trust” Trustees are Alvina Duncan, Connie Newman, Leona Humchitt, Harvey Humchitt, and Pat Housty. As the Shareholders of the HEDC, the Trustees appoint and oversee the HEDC’s Board of Directors. The Bare Trust’s primary responsibility is to appoint and oversee the BoD of the HEDC. The Bare Trust and the Trustees reside on Heiltsuk First Nation Reserve land.

Reversionary Trust (3 people)

The Heiltsuk First Nation Business Trust or “Reversionary Trust” is the initial limited partner in each limited partnership, and its primary responsibility is to receive and hold in trust, on behalf of the Heiltsuk Tribal Council, surplus funds received from the HEDC’s business interests until such time as directed by the Heiltsuk Tribal Council as to their distribution. The three Trustees of the Reversionary Trust are Louisa Willie, Stephen Hunt Jr., and Gilbert Jackson.

HEDC Board of Directors

- Saphire Humchitt
- Lois-Anne Arnold
- Allen Edzerza
- Larry Jorgenson
- Bill Dumont

HEDC CEO Jim Richardson

Shared Administration

(e.g. bookkeeping/accounting services, etc. subcontracted to First Nations Business Advisory Services Ltd.

Treasury

Operational Business Unit Managers

(forestry, fisheries, retail, etc.)

Namu is a critical heritage site . . .

Namu is situated on British Columbia's Central Coast, about 100 kilometres north of Port Hardy and less than 20 kilometres from Bella Bella. It was about a 3-hour trip on a gillnetter from Bella Bella, and many elders will recall heading south of Namu each year. Namu was a place of significant employment for Bella Bella people for many years as well as being an important historical site for the Heiltsuk. Along with forestry and the Ocean Falls pulp mill, Namu was also a major economic enterprise in the Heiltsuk traditional territory for much of the 20th century.

Facing the waters of Fitzhugh Sound and surrounded on its three remaining sides by mountainous terrain and dense coastal rainforest, Namu is relatively isolated from other communities but can be easily approached by sea or air.

The earliest recorded European use of the townsite during this historic period is in 1893, when a salmon cannery was established by the Robert Draney family. The local lake provided lots of fresh water for the cannery operations as well as a place to enjoy swimming in the summertime. While the cannery at Namu is no longer in use, the townsite continues to be visited and used as a stopover point by coastal travellers and fishers and "sporties".

But the prehistory of Namu lies hidden beneath the ground. Archaeological investigations undertaken at Namu have provided a record of almost continuous seasonal use of the site for up to 10,000 years. Two aboriginal place names are associated with occupations at Namu - *Ma'awas* and *Na'wamu*. *Na'wamu* is a traditional site of the Bella Bella; its prehistory is their ancestral heritage.

In 1909, a sawmill was built in Namu in order to provide lumber for salmon cases and building projects. It was a major stop on the coastal steamship route for supplies, passengers, and shipping out salmon from the cannery to global markets.

Throughout the following years, the facilities grew and underwent frequent ownership changes until 1928 when British Columbia Packers Ltd. took over the operations. An extensive fire in January 1962 destroyed a large portion of the plant facilities, and the company was forced to rebuild and retool the major portion of the complex. Introduction of more modern machinery and processing techniques after the fire enabled the cannery to increase production output while dropping employment levels.

As of 1970, the physical structures included the processing facilities, large two-storey bunkhouses, family cottages for employees, an oil dock, an electric power plant, a fresh water supply, recreation and mess halls, and a system of boardwalks permitting access to each of these.

The labour force serving the facility was composed of Bella Bellas (Heiltsuk), other First Nations, European Canadians, Japanese, and Chinese who either



*Fish boats at the Fish Cannery, Namu (1919)
Image C-04929 courtesy of Royal BC Museum, BC Archives*

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... and a 20th century employer for Heiltsuk

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worked in the cannery or brought in fish during the summer fishing season. Many of these people left for New Bella Bella when the fishing season ended. A few remained year-round and lived in the married quarters.

Wilfred Humchitt fondly remembers going to Namu each summer where “there was always lots of work.” His dad worked as a fisher and his mom in the cannery. It was also a place of great fun, with jiving and dancing on Saturday nights and lots of sports games between locals and the summer students—softball and basketball were popular. “It was a great place, and one where you made a lot of friends from all over,” he recalls. Even Wilfred’s grandparents worked at Namu—it was an important source of jobs and income for the Heiltsuk and others in the central coast for much of the 20th century.

Between the 1930s and the early 1980s, when the site was owned and operated by B.C. Packers, Namu was a hub of activity for commercial fishers along the

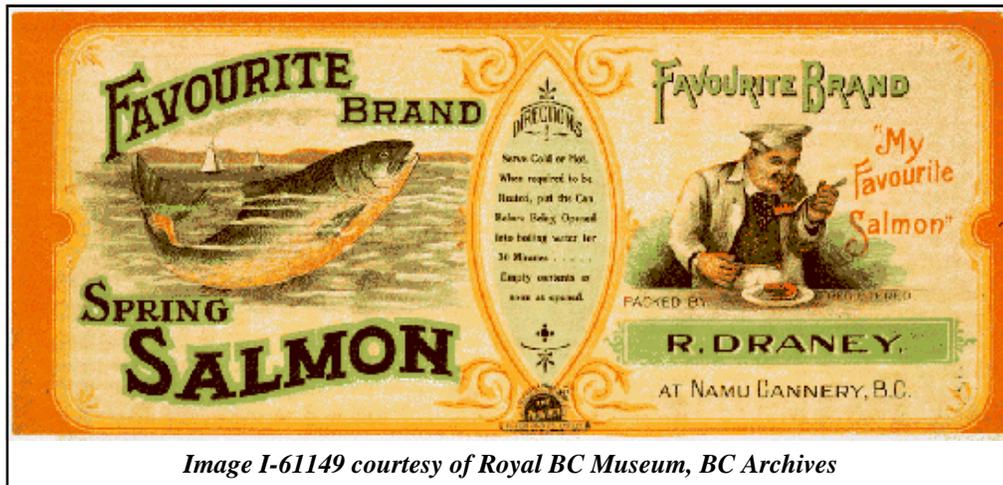


Image I-61149 courtesy of Royal BC Museum, BC Archives

central Northwest Coast. During the fishing season, Namu supported a population of up to 400 cannery workers, fish processors, maintenance personnel and their families—with enough children to fill a four-room schoolhouse.

After 1980, the emphasis at Namu turned from 'canning' to 'fish processing'. Processed fish were shipped south to Vancouver and west to Japan for canning. In the early 1990s, B.C. Packers sold Namu and an unsuccessful attempt was made to establish a resort at the townsite.

The cannery facilities in central Namu were built on bedrock along the beachfront and on piers over the bay. Kilometres of

boardwalk extended along the waterfront and up the sometimes steep slope to the “company houses” and other facilities further inland.

Central Namu, known locally as 'Aroma Heights', was the business section. The ice plant and cannery, cafe, laundry, and general store as well business offices were located on piers along the waterfront. Along the beachfront and on land above central Namu, interconnected by boardwalks, were the managers' lodgings and bunkhouses.

Of the two large bunkhouses for seasonal cannery workers, only one – the “Namu Hilton” – is still standing today. The second bunkhouse was abandoned in the late 1960s and was burned down in the early 1980s to make way for a helipad.

Many of the buildings have been torn down or lost to fires. The net loft, with "NAMU" painted on its roof, was torn down in the early 1980s. The closure of Namu was the end of an era for people in Bella Bella who then proceeded to build their own fish plant. But that’s another story! ❖

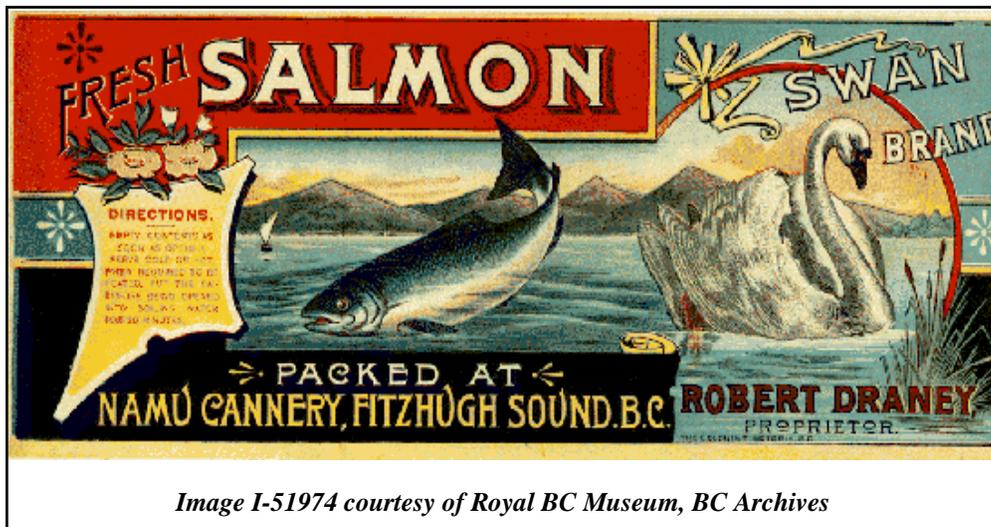


Image I-51974 courtesy of Royal BC Museum, BC Archives

Document Source: *Studies in Bella Bella Prehistory* by James J. Hester and Sarah M. Nelson, 1978, pp. 11 - 14.

Interview with new HEDC CEO Jim Richardson

Wanemta sat down with Jim Richardson after his first two weeks in Bella Bella to get a sense of his impressions, visions, and ideas. Here's the interview:

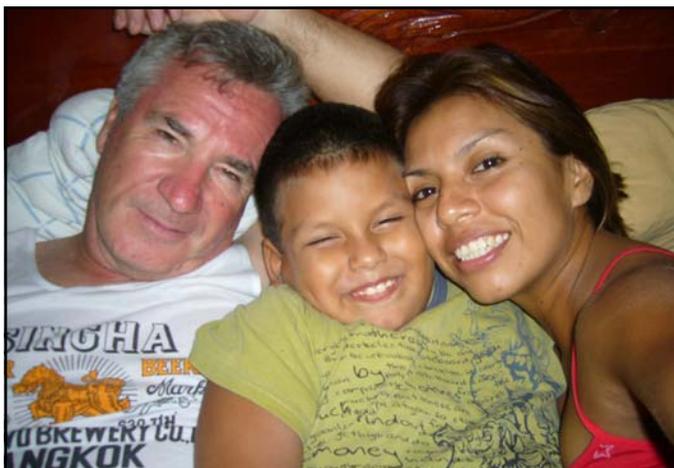
Hi Jim, welcome to our community! What are your first impressions?

The friendliness of everyone and how welcome they have made me feel is really great. Everyone has been very helpful and I am looking forward to meeting even more new faces and improving my understanding of Heiltsuk culture and traditions.

As a Mi'Kmaq person I see many things that are similar, but there also differences. My community is closely tied to the sea, and many of my people are also fishers and boat experts like the Heiltsuk. Change has happened in many of our Mi'Kmaq communities and those who have embraced change have prospered. That is not to say we have forgotten or abandoned our roots. For example, fishing is still a part of our culture and our economy, but many communities like Membertou or Millbrook have broadened their economic base. I see opportunities to move ahead with new initiatives and work to make Heiltsuk businesses even better than they are.

Change is good and we should embrace change, but it is not always easy to do. Another impression I have is I see commitment from HTC as the leaders and others in the community to create economic opportunities for the betterment of the community.

When is your family coming? Are they excited about the big move from Peru to Bella Bella?



Jim, Gianlucas, and Rossana Richardson

My wife Rossana and seven-year-old son Gianlucas will be arriving the first week of July. They both speak Spanish only but will be working hard to get their English in place. Gianlucas is excited to be coming to Canada. He's very inquisitive and loves nature—especially crabs and all sorts of water creatures and amazing insects that he has seen on the Amazon River in Peru. He will miss the monkeys, parrots, toucans, ocelots, macaws and other animals that we have at our home in Peru. Rossana is very creative and artistic and wants to learn local culture and weaving.

My family is coming from a frontier town called Iquitos—it's a big town of more than 400,000 people with a small-town feeling right in the middle of the jungle along the mighty Amazon River in Peru near the borders with Brazil, Columbia, and Ecuador. It's real hot there—mostly 30 degrees C and 70 to 90% humidity most of the time. Iquitos is isolated in that you can only get there by boat, water, or air—just like Bella Bella. There are two main indigenous tribes—the Yagua people and the Boras people. The Yaguas are greater hunters with

their blow guns using poison darts.

To get from Iquitos to Bella Bella will involve first flying to Lima, Peru and then directly to Toronto, on to Vancouver and Bella Bella—perhaps 20+ hours of flying time and a couple of days. Iquitos is in the same time zone as Toronto—3 hours ahead of Bella Bella—so they'll be pretty tired when they arrive here to our new home.

What's your vision for this new job you've been hired for?

The businesses have to cater to the people's needs and interests and create new opportunities and employment. I want to see the existing businesses get stronger, prosper, and become more competitive and return profits to the community. We need to look at new partnerships that meet community acceptance and needs where the Heiltsuk are active partners. Partnership should entail equal partners and decision-making at a minimum, and not window dressing to allow someone to get rich at Heiltsuk expense. We must explore and take advantage of sustainable business opportunities that benefit the Heiltsuk people now and long into the future.

What can we look forward to from HEDC in the near and longer term?

Key projects will depend on support and acceptance from HTC. HTC created the development corporation to run their businesses and create new opportunities. With that critical support from the community's elected leadership, HEDC will provide ideas, capital

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Heiltsuk forestry business suffers heavy losses in 2008

The HEDC Board received the audited financial statements for Heiltsuk Coastal Forest Products from its auditors, Meyers Norris Penny LLP, for calendar year 2008. The results showed a loss of \$962,503 for the year as compared to net earnings of \$1,193,213 in 2007. Log sales volumes fell from 77,541 cubic metres in 2007 to 57,970 cubic metres in 2008 – a 25% decrease. More than 20,000 m³ of logs remained unsold at year-end on December 31, 2008 but most have now been sold. The financial statements reflect the costs of the unsold logs.

A summary of the 2008 audit is shown below. Meetings were held with MNP and HCFP's business partner A+A Trading to closely review these results and identify the major causes of the loss, which were as follows:

- The Doc Creek logging camp operations lost \$321,591 compared to losses of \$347,837 in 2007. Generator fuel costs were \$243,000 of those losses. The budget forecast revenues of more than \$550,000 but actual income was \$317,135 from provision of room and board for loggers and others using the camp. More than \$111,000 of food and supplies were purchased and \$250,000 paid to Heiltsuk workers in the camp operation.
- The loss from actual logging operations was \$640,912 in 2008 compared

to earnings of \$1,541,050 in 2007. This dramatic change was caused mostly by reduced selling prices for cedar and other log species that fell by up to 60% from the time logging started in 2008 until year end—one of the largest collapses in log prices ever seen in coastal B.C. Stumpage payments to the BC government were \$618,597 or about \$10.66 per cubic metre, very high in relation to the falling log prices. The major cause of the dramatic log price decline was the reduction in United States housing starts from a high of 2 million to less than 500,000 annually. The housing crisis in the U.S. was also a direct result of the U.S. economic collapse. Operating costs were relatively stable but selling prices of logs were the main culprit in the serious losses for the year.

Losses by the large B.C. coastal forest companies were also huge: Western Forest Products lost \$85 million, Interfor lost \$70 million, and Timberwest lost more than \$25 million in 2008. Net income for the first two years of log sales by HCFP (07 and 08) is still positive—\$229,987 or about \$1.70 per cubic metre.

Steps taken by HCFP to address these losses include:

- Overhead cost reduction through permanent staff

reductions and reduced compensation for contractors.

- Shifting management and operation of the Doc Creek Camp to a private company and looking at other future options for the site (including disposal).
- A+A will provide engineering and forestry services at a significant cost reduction to HCFP.
- Setting a minimum of \$10 per cubic metre net income to HCFP for start-up of logging operations.
- Not starting up operations in 2009. It is now forecast that HCFP will likely not operate at all in 2009. However, market conditions are looking better for 2010 and HCFP is planning for extensive operations next year.

Detailed financial statements for both forestry companies are available for public examination at the Heiltsuk Business Center during regular office hours.

Due to the current economic situation affecting the forestry business which is beyond the control of HCFP, we no longer require a Professional Forester on staff. As a result, we want to thank Rina Gemeinhardt for her past service to the company.

Balance Sheet		
	HCFP Ltd.	HCFP Ltd. Partnership
Assets		
Current	11,300	3,453,420
Equipment/Investments		227,002
Total	11,300	3,680,422
Liabilities		
Current	29,757	3,449,712
Shareholders Capital (deficit)	(18,457)	230,710
Total	11,300	3,680,422
Statement of Earnings		
Revenue		
Management Fees		0
Logging	232,021	9,630,788
Direct Logging Costs	242,697	8,525,175
Inventory Writedown		(1,096,165)
Gross Margin		9,448
Overhead Expenses		650,360
Earnings (loss from logging)		(640,912)
Doc Creek Camp Losses		(321,591)
Net Earnings (Loss)	(10,676)	(962,503)
Deficit—beginning of year	(7,881)	
Deficit—end of year	(18,557)	

Interview with new HEDC CEO Jim Richardson—continued from p. 5

and planning to build on existing business strengths. We hope to take a business-oriented look at all the entities, and we need to develop both people and opportunities. We are still building HEDC’s abilities to run the businesses and evaluate new ideas.

There has been no shortage of exciting new business ventures that HEDC has been looking at. Once we take a close look at these ideas and make sure they are viable, acceptable, and meet community interests, we will be moving ahead. Stay tuned for more information! One of my priorities is to build on existing customer service through training and new opportunities.

In the longer term, I’d like to see Bella Bella as a major provider

for goods and services in the region while creating new employment and hope in the community. I have some ideas and new approaches to get youth interested in business so we can develop entrepreneurs here. It would be great to see new local jobs for qualified Heiltsuk youth so we can compete with outside jobs. I really think there are lots of energies and ideas that we can develop with partners already in Bella Bella. It would be great to build on Heiltsuk tradition as fishers and ocean-faring people. Let’s use the assets we already have here to look at new ideas like the scallop farm and new approaches to aquaculture.

What are some of your initial priorities, Jim?

Well, first we need to be

integral to the transition process. We need understanding of HTC’s 15 Year Plan priorities and other strategic plans for the benefit of the Heiltsuk. These will guide us moving forward and integrate these important ideas for moving HEDC ahead. Once the transition is done, we will put a sound business process in place and work with our managers to build on their strengths and capacities.

I also look forward with my family to becoming active members of the community and participating and sharing in building business success for Bella Bella. ❖

Jim's family arrived in the community from Peru during the second week of July.

HEDC website now up and running

HEDC's new website is now available! www.HeiltsukDevCo.com is an important HEDC communication vehicle for all Heiltsuk people and potential business partners. The website will be updated regularly and has many interesting features including copies of all past newsletters, governance information, what we stand for, daily Bella Bella weather reports and forecasts for four days forward, Aboriginal news feed, employment opportunities, and other interesting links and information.

It's easy to register to have full site access and log in to all sections of the website. Bookmark our new site today!

The HTC website is also an excellent source of community news and HTC information — visit www.BellaBella.net. ❖

www.HeiltsukDevCo.com



Bare Trustees participated in the June workshops (l to r): Connie Newman, Harvey Humchitt, Pat Housty, Leona Humchitt, Alvina Duncan



Reversionary Trustees also participated in the June workshops (l to r): Gilbert Jackson, Louisa Willie, Stephen Hunt Jr.

HEDC to host Open House on Aug. 17

HEDC is planning a community open house on Monday, August 17 to answer questions on the company's activities and plans for the future. Specific details of the meeting time, location, and agenda will be made available on the community channel closer to the meeting date. The open house will provide a good opportunity for the HEDC Board of Directors and our new CEO to interact with the community and report on current plans and issues. By that date, we expect to have some great news about the Heiltsuk shellfish project. Along with our bimonthly newsletters and the new HEDC website, these community meetings are an important communications tool for the HEDC Board.

As well, we encourage anyone with any issues or concerns to drop by the Heiltsuk Business Centre in Bella Bella and we'll do our best to address the issue. Thank you! ❖

Contact Us!

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