FIRST NATIONS' POLITICAL ECONOMY IN
BRITISH COLUMBIA:
A PARTNERSHIP RECOVERED?

by

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B.A., Simon Fraser University, 1979

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Abstract

First Nations role in the fur trade and early settler periods of British Columbia history has been reconceived in recent scholarship from simple victimization by European colonial expansion to active participation in commercial partnerships. This work builds upon this insight. First Nations participation in the British Columbian economy is traced from its roots in the fur trade, its crucial contribution during the initial settlement and early industrialisation periods of British Columbia through to its eventual demise in the early decades of the twentieth century.

By arguing that First Nations possess cultural barriers to successful economic activity non-aboriginal interests have justified land cut-offs, the restrictive regulation of water access, fishing, logging, and hunting, and the repression of First Nations political activity. These policies extinguished an aboriginal entrepreneur class and severely limited aboriginal employment opportunity. After W W 2, increasingly capital intensive practices in the fishery, forestry and agricultural sectors prevented First Nations from competing on an equal footing. Beginning in the 1960's, a well-educated aboriginal cohort emerged that, while unable to pursue large scale economic activity, did create an expanding and activist aboriginal bureaucracy.

From the 1980's, aboriginal political activity specifically targeted private corporate interests. This strategy succeeded in bringing the British Columbian government to the treaty table. Meanwhile, federal and First Nations' initiatives have supported the recreation of an aboriginal political economy. Some members of the corporate sector have encouraged these developments as a means of stabilising investment conditions. Consequently, new business alliances are emerging. It is concluded that First Nations political aspirations are directly dependent upon a healthy aboriginal economy. Furthermore, this economy will necessarily require partnerships with the non-aboriginal sector as it functions in the provincial, national and global marketplace.
Acknowledgements

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<tbody>
<tr>
<td>ABC</td>
<td>Aboriginal Business Canada</td>
</tr>
<tr>
<td>ACC</td>
<td>Aboriginal Capital Corporation</td>
</tr>
<tr>
<td>AFN</td>
<td>Assembly of First Nations</td>
</tr>
<tr>
<td>AFS</td>
<td>Aboriginal Fisheries Strategy</td>
</tr>
<tr>
<td>ASTEP</td>
<td>Aboriginal Science and Technology Enterprise Program</td>
</tr>
<tr>
<td>ATC</td>
<td>Aboriginal Trade Commission</td>
</tr>
<tr>
<td>CAEDS</td>
<td>Canadian Aboriginal Economic Development Strategy</td>
</tr>
<tr>
<td>CCAB</td>
<td>Canadian Council for Aboriginal Business</td>
</tr>
<tr>
<td>CEIC</td>
<td>Canada Employment and Immigration Commission</td>
</tr>
<tr>
<td>CIFNCF</td>
<td>Central Interior First Nations Community Futures</td>
</tr>
<tr>
<td>DRIE</td>
<td>Department of Regional Industrial Expansion</td>
</tr>
<tr>
<td>FBDB</td>
<td>Federal Business Development Bank</td>
</tr>
<tr>
<td>IC</td>
<td>Industry Canada</td>
</tr>
<tr>
<td>IEDF</td>
<td>Indian Economic Development Fund</td>
</tr>
<tr>
<td>IFAP</td>
<td>Indian Fisherman's Assistance Program</td>
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<tr>
<td>ISTC</td>
<td>Industry, Science and Technology Canada</td>
</tr>
<tr>
<td>NEDP</td>
<td>Native Economic Development Program</td>
</tr>
<tr>
<td>NITA</td>
<td>Native Investment and Trade Association</td>
</tr>
<tr>
<td>TFL</td>
<td>Tree Farm License</td>
</tr>
<tr>
<td>UBCIC</td>
<td>Union of British Columbia Indian Chiefs</td>
</tr>
<tr>
<td>WOP</td>
<td>Work Opportunity Program</td>
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Introduction

Over the past several decades the problem of the relationship between First Nations and the Canadian nation state has attracted attention from an increasing number of academics and government agents. The release of the 1969 White Paper by the federal government, the Calder challenge (1973), and the Meares Island injunction (1984) forced a reformulation of the problem and initiated a search for new methods of resolving it. Collectively, these events demonstrated that government policies predicated upon the assimilation or eradication of First Nations were no longer viable. Thus, after more than a century of refusal, the governments of Canada and British Columbia agreed to enter negotiations with First Nations with the aim of resolving these issues through treaties.

Much has been written about the potential consequences of treaty resolution. However, most attention has been centred on the legal, constitutional, and political arenas. Comparatively little attention has been paid to how the business community will adapt to First Nations becoming major players in the economic development of the province. However, it is precisely in the economic arena that most British Columbians will encounter the practical aspects of self-government and self-determination. If First Nations become some sort of semi-independent bodies, either as domestic dependent nations, a fourth order of government, or some other political apparatus, they will require an economic base to support them. Moreover, this economic base will have to be managed by the
First Nations themselves - for without an independent economic base, self-government becomes little more than a euphemism for delegated local responsibility.

While these developments are often characterized as First Nations issues they are no less important for non-aboriginal business. Treaty recognition of First Nations’ political status is also a recognition of their role in the future of British Columbia’s economy - both as governmental regulators and as business participants. Non-aboriginal businesses that fail to recognize the importance of these developments risk costly delays or cancellations of their investment strategies. Some non-aboriginal businesses have recognised the problem and have begun to adapt their strategies as a consequence. Many more have not. However, in the writer’s opinion, for many of British Columbia’s businesses (particularly those involved in the resource industries), economic relations with First Nations are about to become an unavoidable fact of life. Non-aboriginal businesses must inform themselves about First Nations’ histories and contemporary aboriginal issues in order to develop strategies that recognize and accommodate them. In this sense, what follows is in the nature of a general introduction for the non-aboriginal business person to issues he or she is likely to encounter when doing business on or around traditional First Nations’ territories.

At first glance, a School of Communication may seem an odd place in which to study the relationship of non-aboriginal business to First Nations. After all, the past several decades have seen an increasing academic awareness of First
Nations issues beyond the traditional discipline of anthropology and into sociology, political science, law, economic development and education. As well, there are now university departments and journals dedicated solely to Native Studies. What can the study of communication bring to the study of First Nations? The answer lies in the Latin root of the word communication, *communicare*, to make common. Communication shares this common root with the word community and it is in this interdependence between the concepts of communication and community that the discipline of communication becomes relevant to this thesis' topic.

In a sense, the history of British Columbia has always been marked by the problem of multiple communities attempting to communicate with one another in order to make the concept of British Columbia common to all who live within its borders. These communicational attempts have created multitudinous problems, but perhaps none have been so marked by social inequities and a lack of a common understanding as the relations between newcomers and the province's indigenous population. These difficulties remain with us, but the beginning of modern-day treaty negotiations in British Columbia raise the possibility of a new conception of British Columbia being developed, a British Columbia in which, arguably for the first time, First Nations will become important members. As John Dewey wrote:

> Men live in a community in virtue of the things which they have in common, and communication is the way in which they come to possess things in common. What they must have in common ... are aims, beliefs, aspirations, knowledge - a common understanding - likemindedness as the sociologists say. Such things cannot be passed physically from one to another like bricks, they cannot be shared as persons would share a pie by dividing it into physical pieces ... Consensus demands communication.
The renegotiating of First Nations' place in British Columbia will profoundly affect the kind of community that British Columbia will become and also affect the kind of communities that First Nations are able to create within the province. Treaties will provide the political and legal structures under which these several communities will pursue their futures. However, while treaties will document an achieved consensus, they are not an end in themselves. Treaties should provide the starting point for a changed relationship between British Columbia and First Nations. Crucial to the meaning of treaties will be their success in maintaining economic growth for the province, and their capacity to provide an opportunity for First Nations to reclaim their economic potential.

It is significant that the British Columbian treaty process began in response to an economic issue. The political impact of the Meares Island injunction on the British Columbian government might have had little significance but for the enormous implications for the business sector with respect to provincially sanctioned land tenure. Without secure tenure, investment in the province's logging industry was threatened and, in turn, placed in doubt the province's principle source of revenue. The Meares Island injunction, and others that followed in its wake, showed that First Nations could have a major impact on the economic functioning of the entire province. The ability of the business community to adapt to this new state of affairs is as crucial to British Columbia's future as any political adjustments made by government. Indeed, it is the business process that creates the

wealth that forms the tax base upon which government depends. Moreover, this is as true for First Nations governance as it is for any other political entity and so First Nation’s political independence has to be intimately linked to a wealth-creating business community.

It seems likely that the true economic impact of treaty resolution will be worked out in a four-cornered relationship between non-aboriginal business and governmental interests and their aboriginal business and government counterparts. This relationship will lead to shifting alliances between the parties as each attempts to service its own requirements. It should not be assumed that aboriginal business interests will view aboriginal governments as their natural ally. In fact, there is every reason to believe that aboriginal business interests find aboriginal governments as frustrating to deal with as non-aboriginal businesses find non-aboriginal government. Rather, under certain circumstances, it is possible that aboriginal and non-aboriginal business interests will have more in common with each other than with their respective political representatives.

With this in mind, any examination of the impact of treaty resolution on non-aboriginal business must take into account the development of the aboriginal business sector. The situation is more complex than simply the change of landlords envisioned by some in the mining sector during the late 1980’s. Rather, business in British Columbia will be conducted in relationship to aboriginal organizations that will need to meet business as well as political objectives. It will be in these new
partnerships that treaty resolution will come alive in the everyday lives of British
Columbians.

Much of this work concerns itself with the history of aboriginal economic
activity in British Columbia. However, it is not an aboriginal history because it is
not a history that aboriginal people would tell themselves. Over the past several
decades, academic histories concerned with First Nations have wrestled with the
problem of legitimacy. In some cases, this has led to a critical reappraisal of the
written legacy of European traders, explorers and ethnographers. Others have
sought to introduce an aboriginal voice into their work by seeking aboriginal
review and criticism, or extensively citing aboriginal sources. Still others have been
employed by First Nations to use their skills to tell the aboriginal story on behalf of
First Nations and their associated organisations. However, the result inevitably
tends to emphasise the role of newcomers at the expense of indigenous peoples.

The problem is that the academic (or perhaps all literary) tradition is poorly
suited to telling aboriginal stories as aboriginal people would tell them. Harold
Innis wrote, "The task of understanding a culture built on the oral tradition is
impossible to students steeped in the written tradition." More recently, in
commenting upon the problem of litigation over aboriginal issues Marvin Storrow
stated:

The oral tradition inherent in the culture of so many aboriginal
groups is generally foreign to Euro-Canadian cultures. The
first inhabitants of Canada did not rely on written
communications. Their history was passed down by oral means.

Harold Innis, *Empire and Communications*, (Victoria and Toronto: Press Porcepic.
1986), 59.
Who is to say that an oral recording of history is less reliable than a written record?3

Therefore, no matter how sympathetic to First Nations a work written by an outsider may be, it cannot truly capture an aboriginal voice and cannot purport to tell an aboriginal story. Even where these works cite aboriginal voices they cannot avoid the problem of the necessary selection process accompanying any original work.

Works that are written by newcomers and utilising the literate tradition are inevitably stories about, and for, other newcomers. Thus, such works are not aboriginal histories but rather a retelling of the newcomer’s own history from a different and expanded point-of-view. Over the past several decades, these retellings have fundamentally altered the perception of First Nations’ role in the history of British Columbia’s non-aboriginal people. In short, examining First Nations’ experience of newcomers tells British Columbians more about themselves than it does about First Nations.

The discussion of aboriginal economic activity may disconcert some readers. In particular, the call for a rediscovery of aboriginal entrepreneurship and business acumen may be misconstrued as a call for renewed assimilation. It may be feared that such an emphasis on business means that the assimilation project will continue in the cloth of capitalist expansion rather than raw colonialization, that the net consequence would still be the extinction of distinctive aboriginal cultures. This position has several fundamental flaws.

In the first instance, such a concern tends to assume that First Nations did not, and would not, engage in business or entrepreneurial activity but for the active intercession of Europeans. The historical record tends to disprove this position. First Nations were active participants in the businesses of early British Columbia. However, they did not consent to the eventual European domination of wealth production. The present lack of aboriginal enterprise is the consequence of First Nations' removal from business by non-aboriginal interests - not because of any inherent reluctance on the part of First Nations.

Secondly, First Nations' cultures must be understood as dynamic. Thus, First Nations traditions are not the simple replication of cultural habits from one generation to the next extending back beyond memory. First Nations' cultures have always borrowed cultural habits and technologies from each other and, occasionally, have shifted their geographic boundaries to reflect success in war, trade and diplomacy. That First Nations incorporated European technologies and trading techniques is not to be wondered at. Rather, they are the logical consequence of dynamic cultures adapting to new circumstances and opportunities. In this sense, the notion of the traditional in aboriginal culture is not to be understood as merely the replication of old forms, but as the central identity of social group and place - that which Boas called "the genius of a people." Put another way, it is the means by which a people define themselves as "us." This sense of identity is not solely the consequence of material means of production or fixed social relations but is more properly rooted in a shared history and the belief.
in a shared future. Fearing that First Nations' involvement in the larger business sector will necessarily erode aboriginal cultural identity implies that aboriginal cultures are not strong enough to survive in the face of business activity. Such a fear is groundless insofar as it is difficult to see how after centuries of genocidal policies on the part of Europeans, First Nations cultures will succumb under the pressures of market forces. In the author's experience, most aboriginal people are neither so pessimistic about their culture's survival nor so gullible as to sell their culture for a few dollars.

Thirdly, the growth of an aboriginal private sector does not necessarily imply private sector dominance. Nor does it necessarily imply that an aboriginal private sector will be a replication of the Canadian business model. Indeed, as is discussed in chapter three, some Canadian private interests have noted some similarities between the "new management" and traditional aboriginal organisation and decision making. More to the point, recent thinking by those involved in development has acknowledged that within so-called "human economies," the private sector is an integral part. As Ekins and Max-Neef have observed.

The position to be taken here is, first, that the perceived dichotomy between the market and the state is a false one, and that the relevant policy issue is actually the balance to be struck between them. Second, the 'state' mechanism should be seen to have international, national and local components, which should also be used appropriately according to the issue being addressed. Private interests are not the only source of wealth creation. A redefinition of work beyond the production of goods and services valued in accordance with a

monetary scale is clearly necessary. Subsistence and household tasks (traditionally identified as women's work) are clearly valuable contributions to the overall economy, and nothing in this work is meant to devalue this conception. Rather, the problem for First Nations' wealth creation is the virtual absence of an indigenous private sector of any kind. Discouraging an aboriginal private sector on the grounds that it may extinguish aboriginal culture is to merely defend the status quo wherein First Nations have become dependent upon the constant financial support of the federal government.

Finally, there is the question of choice. Anisur Rahman argues that creativity is a fundamental human need. As such, to experience humanness requires both the freedom to make choices (liberty) and access to the tools (education, health, etc.) required to realise human creative potential. From this creative activity comes the satisfaction of both material and psychological needs. As an economic argument, this position emphasises that economic activity is not governed solely by self-interest (enlightened or otherwise) but must incorporate the entire range of human needs and their diverse and interacting satisfiers. From this point of view, it is clear that British Columbian First Nations' capacity to make choices about how they wish to satisfy their needs has been largely removed. Therefore, the argument presented here is not that First Nations should replicate the dominant economic system but that they should be in a position to do so if they wish it. By extension, this means that First Nations have the same right to make mistakes as other nations.

Ekins and Max-Neef. Real Life Economics. 173-7
As Rahman emphasises, the objective of material comfort is not how people derive their humanness. Rather it is engagement, the striving towards those objectives that releases their creativity and thus their humanity. For First Nations, the removal of their subsistence base, in combination with their confinement to reserves within the Canadian State, has meant that their basic needs (as measured by caloric intake, infant mortality, life expectancy, and so forth) have been paternalistically administered at the cost of their ability to make creative and independent choices. In the author's view, dissuading aboriginal people from establishing themselves in business because of the potential evils of capitalism is merely the same old paternalism dressed up in modern clothing.

This work is organised into four chapters. The first chapter examines the reinterpretation of traditional aboriginal economic activity. First Nations are shown to have been active and astute traders who used the arrival of Europeans as a means of increasing their wealth. With the arrival of miners and settlers, a myth of 'cultural barriers' developed that emphasised the communal aspects of First Nations traditions and de-emphasised the trading and artisan traditions of the pre-contact aboriginal world. Therefore, it became widely believed that entrepreneurship and employment were inimical to First Nations cultures and that this explains the long-standing and endemic poverty on reserve. This chapter demonstrates that, contrary to the myth, aboriginal people have been systematically removed from the economic life of BC in order to make way for non-aboriginal business and labour interests. The myth that First Nations cultures and business activity are antithetical
is exposed as a convenient and necessary excuse whereby the newcomers usurped aboriginal economic activity.

The second chapter emphasises the attempts by the federal government to introduce aboriginal people into the industrial economy. This project began in earnest during the post-war era and was deeply allied with the assimilatory philosophy of the times. However, the outmoded economic thinking that guided Indian Affairs policies, combined with structural changes within the British Columbian economy and institutionalized racism barred aboriginal people from the overall economy. It is argued that while aboriginal people were denied employment, they were also unable to pursue subsistence activities due to the increasing alienation of land and resources. Moreover, lack of capital availability prevented the creation of an alternative aboriginal business sector. Meanwhile, the growth of a generation of well-educated aboriginal people during the 1960's and 70's, combined with Indian Affairs policies of decentralization, created an activist aboriginal civil service. Beginning in the early 1970's, this civil service was crucial to establishing an indigenous agenda of resource protection, self-government initiatives and social healing.

Chapter three traces the decline of the overtly assimilatory governmental policy regime and the activities of aboriginal organizations in developing an alternative strategy that incorporated the land question into the future economic development of First Nations. During this period, direct action together with political and legal initiatives on the part of First Nations succeeded in placing First
Nations self-government issues on the corporate, as well as government, agenda.

Moreover, the failure of attempts to assimilate aboriginal people into the overall economy resulted in the development of policies designed to create a specifically aboriginal political economy.

Chapter four begins with the question: "What makes an enterprise aboriginal?" In other words, what are the objectives, principles and processes that make an enterprise distinctively aboriginal? This question is followed by an examination of the characteristics required of non-aboriginal businesses that operate on First Nations' territory or in co-operation with First Nations' governments and enterprises. The chapter then examines some conflicts currently evident within the aboriginal world of which non-aboriginal business needs to be aware. Finally, the chapter ends with the suggestion that for aboriginal business to be successful it must, in some way, separate itself from First Nations' government.

The thesis concludes by arguing that treaty resolution in British Columbia represents an economic opportunity for both First Nations' and non-aboriginal business, and this opportunity will tend to take on the characteristics of a partnership reminiscent of the fur trade. Moreover, it is in the context of this partnership that First Nations' independence and distinctiveness will find its expression in the future of British Columbia. It is argued that First Nations' political independence is directly related to the degree of economic independence they are able to attain. As such, the old cultural barriers argument will be
reformulated to account for the presence of a distinctive aboriginal business sector within the overall provincial, national and global economy.

Before proceeding to the main body of the work it is necessary to discuss some fundamental definitions. This is so because there is by no means general agreement as to the meaning of the most basic terms upon which this work depends. To begin with, what is meant by an 'aboriginal' person given the extensive history of intermarriage between Indians and others over the past two centuries? In theory, the power to define an 'Indian' is still retained by the federal government through its maintenance of the Indian Registry as defined by the Indian Act. However, federal economic policy for the benefit of Indians can and does use a much looser standard of self definition. Some federal policy is directed solely at registered Indians resident on reserve (e.g. Social Assistance) while others (e.g. employment initiatives) have more lenient residency restrictions. Possession of Indian status is not necessary to become a band member and not all status Indians belong to bands. In short, the definition of who is, or is not, an Indian depends upon the construction put upon the term 'Indianess' is not an absolute property but rather a definitional function of varied specific purposes.

The confusion exhibited by the federal government in its practice is often echoed on reserve. The generations of intermarriages between First Nations members and newcomers, the amalgamation of different Nations in the wake of national diasporas, various relocations of Nations due to mega-projects or federal administrative demands, and the continuous movement of aboriginal people to
Urban centres are but some of the means by which individual First Nations' cultural identity has tended to break down. In the wake of such mixing has come an internal debate as to just who is a 'real' Indian. Moreover, urban aboriginal organisations that service aboriginal people from diverse backgrounds, together with the increasing popularity of cultural events such as powwows, tend to foster a sense of pan-Indianism. Some aboriginal people express a fear that their particular cultural identities are being subsumed into a generic Indian culture, while others believe in a fundamental cultural kinship between all aboriginal people. Still others may argue both principles at different times depending upon the issue at hand. The present work cannot resolve this problem. However, the debate has important significance for the definition of what constitutes a distinctively aboriginal enterprise.

For the purposes of this thesis, aboriginal means those British Columbians who trace their heritage to the First Nations indigenous to the province. The term Indian, while still used in connection with the Indian Act, is becoming conceptually obsolete because of its narrowness of definition. For the present work, dividing aboriginal people into status and non-status Indians is not helpful - particularly since after treaties are signed the aboriginal signatories may cease to be Indians and become citizens of First Nations. In Canada, it is also the case that the term aboriginal is inclusive of the Inuit and Metis as well as Indians. While there are certainly some Inuit, Metis, and other aboriginal people from throughout the Americas living in British Columbia, none are party to the contemporary
treaty-making process. The author is aware that issues concerning the Metis are by no means cut and dried. However, insofar as there are reserves in British Columbia for the Metis population, they are confined to that north eastern portion of the province covered by Treaty Eight. Moreover, the Metis presence in British Columbia is a recent consideration since, for the bulk of the province, the Metis primarily immigrated as employees of the Hudson's Bay Company.

There are essentially two approaches used by various government departments and academics to define aboriginal enterprise. The first approach defines an aboriginal enterprise as any enterprise owned by an aboriginal person. The second approach defines aboriginal enterprise as any enterprise whose specific goal is to further aboriginal (understood as collective) interests. The former speaks to a modernist and individualist ideal, while the latter draws on a traditional sense of communal responsibility. Since examples of both kinds of enterprise exist, arguing in favour of one definition necessarily excludes the contribution of the other.

The dynamic between these two living traditions within aboriginal collectives is often puzzling to outsiders. The world of First Nations, or "Indian Country" as it is often called, is by no means homogeneous. It is a world in which contradiction, ambiguity and deeply held opposing beliefs are commonplace. Non-aboriginals bring to their activities in the aboriginal world their own expectations, beliefs, and methods of establishing facts about what constitutes an aboriginal person or collective. These beliefs may overlap with their aboriginal
counterparts but are rarely the same. Therefore, aboriginal enterprise is inexplicable unless it is understood within its own context, free from the expectations generated in other societies or at other times. For example, First Nations are indeed collectivities but to assert this fact is to say nothing of what kind of collectivities they may be. Are they equitable? Are they fair? Do they adhere to democratic principles? Similarly, aboriginal enterprise has existed as long as there have been trading networks. The arrival of Europeans greatly expanded opportunities for those networks and for the individuals engaged in their operation but it did not invent them. That some aboriginals were better traders than others would seem to indicate a tradition of individual accomplishment but are we then to assume a one-to-one correlation with European notions of individual private property and wealth accumulation?

Ultimately, the old definitions of who is, and who is not, an 'Indian' is a European problem. It is widely understood that the use of the term is simply a perpetuation of Columbus' original geographic mistake. This mistake is entrenched in Canada through the operation of the Indian Act. However, one can take an alternative view of the Indian Act by, in essence, turning it on its head. That is, one can see the legislation as having less to do with aboriginal people than it has to do with defining the obligations of the federal government towards the aboriginal peoples of Canada. In this sense, the Act not only homogenises First Nations, it also homogenises everybody else in Canada. For example, the Indian Act is blind to the question of whether or not Quebec is a distinct society. It is for this reason...
that the terms "non-aboriginal" or "newcomer" are used throughout this work to denote all other Canadians, no matter their particular background, as one homogenous group.

In keeping with this dual homogenising effect of the Indian Act, the present work uses the term "Indian Affairs" as a shorthand for the multitudinous incarnations of departments and branches contained within various federal ministries that have been responsible for administering the Act. This has been done both to avoid confusion and to emphasise that the Act itself, and the structures created to administer the Act, have glacial and monolithic characteristics. In short, no matter what you call it, Indian Affairs is always Indian Affairs.

The use of the term "business" is used here to identify those processes that organise the creation and exchange of wealth. As such, it is probably a wider usage than the reader is used to. Business is not meant to imply any particular form, structure or organizational system. Rather, the term is used as openly as possible in order to describe activities as diverse as individuals trading fur for ammunition to multi-million dollar forestry joint ventures. In the author's view, both extremes are business activities - the only difference being one of scale. Similarly, the term entrepreneur is used permissively. In the author's view, entrepreneurship is best described as a form of risk-taking energy used to create wealth. The entrepreneur is not conceived as necessarily an individual solely concerned with his or her own self-interest. Thus, amongst First Nations, the entrepreneur may behave solely in his or her own interest, but is as likely to operate within band- or tribal
council-owned business structures designed to further the public good. For example, a band that invests in a sawmill in order to employ band membership is engaged in entrepreneurial business activity. It is the author's belief that entrepreneurial energy resides within particular people, but may be utilised and encouraged by social organizations to further such organizations' larger goals. It is possible that organizations themselves may possess entrepreneurial energy independent of their particular members. Whether this is the case with First Nations is simply not known. Very little research has been conducted into British Columbian First Nations' contemporary organizational behaviour and virtually none in their business sector.

The paper uses the term "political economy" to describe the intermixing of First Nations' political and economic institutions. First Nations members have always been segregated from Canadian society because of their status as Indians and because of the reserve system. Indian Affairs policies prior to World War Two were designed to create an Indian economy based upon the supposed civilizing benefits of introducing Indians to agriculture. Moreover, the survival of First Nations' cultures has also meant the survival of economic relations that are culturally specific. For example, there is no market for oolichan grease in British Columbia other than that created by, and for, aboriginal people. More recently, the shift in federal policy during the mid-1980's towards stimulating aboriginally owned business by creating exclusively aboriginal sources of capital, combined with the higher profile of aboriginal politicians in the constitutional and treaty

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arenas, has meant that economic initiatives designed to service First Nations have taken on a distinctively political flavour. Aboriginal economic and political issues, and the leadership concerned with them, have always been intimately intertwined but at the same time separated from the larger Canadian context. Therefore, in the current context, aboriginal political economy is used to denote the universe of activities and players involved in constructing an economy composed of aboriginal people within the context of the First Nations' political and cultural environment.

A final caution for the reader. This work is by no means comprehensive. The study of contemporary issues involving First Nations is a fertile and rapidly changing field in which the heresy of today may be the truism of tomorrow. This work is conceived as a story—a story that has received little recognition in the narratives that dominate British Columbian discourse. Fundamentally, the author hopes that this work contributes to the recognition that First Nations are not tangential to British Columbia's historical, political, and economic development but are, in fact, integral. Such a shift in perception raises many profound questions as to the way in which British Columbia's future will be influenced by resurgent First Nations. This is because First Nations are themselves undergoing profound and historic changes that ask many questions of the role they will assume within the province and Canada.

The present work assumes that whatever the answers to these questions, they will be found within aboriginal communities rather than in conceptions, assumptions, and definitions derived from outside. Moreover, aboriginal
communities do not exist in a vacuum. While traditional cultures certainly exist and persist they are not untouched by the imperatives of the world within which they are situated. This world is both local, as located within First Nations' communities whose members may have diverse interests, and global, insofar as these communities are located within larger political and economic systems. Thus, the history that informs the following account is to be taken as an attempt to discover a trajectory that describes the dynamism of the aboriginal institutions with which the non-aboriginal world will find itself interacting.

The business relations that will develop in British Columbia over the next decades will be in the nature of an experiment - neither purely aboriginal nor non-aboriginal in its characteristics. Each party will have to adapt to the eccentricities of the other as they seek to derive mutual benefit from the relationship. Because history is embodied in the present, the business community will have to accommodate to it. However, history need not be an insurmountable obstacle. Indeed, business activity may well become one of the principle means by which the wounds of the past are healed in the activities of the present.
Chapter One

Opportunity Lost: Contact to the 1930's

An important change in scholarship concerned with First Nations over the past several decades has been the re-examination of the relationship between the early fur traders and the First Nations they encountered. Where First Nations had been seen as victims of European mercantile and imperial expansion, a new view of First Nations as active participants in a mutually beneficial trade has gained general currency. Fisher established that Europeans did not bring the concept of trade with them, rather they were incorporated into an existing trading network that criss-crossed the west coast of North America extending east across the Rockies.

The indigenous network traded resources such as copper, fish, fish oil, slaves, wool and hides as well as finished goods as some nations became widely known for their skills in particular manufactures. The story of the spread of the horse and potato demonstrate that these networks were adapting themselves to the trade of introduced European goods even before the arrival of Europeans on the local scene. Indeed recent scholarship has raised the intriguing possibility that

Robin Fisher Contact and Conflict Indian-European Relations in British Columbia 1774-1890 2d ed. (Vancouver: University of British Columbia Press, 1992). xi
T A Rickard “The Use of Iron and Copper by the Indians of British Columbia.” British Columbia Historical Quarterly 3 (1939) 25-50
Wayne P. Suttles “The Early Diffusion of the Potato among the Coast Salish.” Southwestern Journal of Anthropology 7 (1951) 272-8
Wickaninish, an influential chief of the Clayoquot Sound area, intended to open direct trade with China could he but obtain a suitable vessel. In short, the European and American fur traders did not introduce the concept of trade to First Nations. Rather, they were but one player in a complex set of economic relations that are still not fully understood.

In the years between the first arrival of Europeans on the west coast and the discovery of gold on the Fraser River, which sparked the mass arrival of foreign miners, aboriginal people retained political independence, but their economic activities had already been irrevocably altered. Traffic in firearms gave a significant advantage to First Nations with easy or privileged access to traders. The increasing importance of the potato in the aboriginal diet not only altered trading relationships but may also have placed more emphasis on slavery as rudimentary agricultural labour, and the introduction of the horse as pack animal significantly enhanced the capacity to trade over land routes. As trading forts became permanent features of the landscape they attracted large numbers of aboriginal people to their locations. At times thousands of people gathered at Fort


Arthur J Ray and Donald B Freeman. 'Give Us Good Measure: an economic analysis of relations between the Indians and the Hudson's Bay Company before 1763' (Toronto University of Toronto Press, 1978), 237-45

Duff. Indian History, 55


Sutlej. "Early Diffusion of the Potato." 279

Rupert, Fort Victoria, Fort Simpson, and Fort Langley disturbing traditional land and resource ownership, national rivalries, and long established cultural habits. In turn, these large concentrations aided the spread of disease and social problems such as alcohol abuse and prostitution.

The fur trade was cosmopolitan on all sides. While First Nations jockeyed for advantage between themselves, the same was true for the traders that came from elsewhere. In rapid succession, First Nations became acquainted with Spanish, British, Russian and American trading interests. Under these and other national flags people from around the globe arrived to perform various functions. Across the Rockies came Metis, Iroquois, Cree, Norwegians, Canadians and various Scotsmen as employees of the Hudson’s Bay Company and Northwest Company. By sea came the Chinese artisans who built the first non-aboriginal habitation at Nootka Sound. Mexican sailors manning Spanish ships based in San Blas and California, Hawaiian employees of the Hudson’s Bay forts, and all the variety of nationalities typical of maritime vessels that often spent two or more years at sea circumnavigating the globe. As trade grew, contact between First Nations and these others became more than just a trading relationship. On the coast, the various desertions, massacres, shipwrecks, and enslavements meant that First Nations were able to observe the newcomers closely and over time. At the

Duff, Indian History, 58
inland forts, the practice of traders taking 'country wives' - aboriginal women who often became the axis about which trade flowed - and their consequent children, served to demystify the newcomer's habits and technology.

The geopolitical situation of the late 18th century was equally important to setting the stage on which these early relationships were played out. Where Columbus and the later conquistadors had sought conquest and enslavement, the Europeans who came to the Northwest of North America had a different agenda. These were men of the Enlightenment who came as either explorers and naturalists or merchants. The conflict between Britain and Spain over Nootka Sound and later between the British and Russians over access to the Stikine River were primarily mercantile disputes rather than sovereignty issues. In the two hundred years between Columbus' voyage and the arrival of Juan Perez at Nootka Sound, British economic policy had begun to see colonisation as a tool of market expansion rather than simple wealth extraction. Indeed, it is apparent that the success of the British and Americans on the west coast of North America (in contrast to their Spanish and Russian rivals) was a consequence of their consistent emphasis on trade advantage over such concerns as converting indigenous peoples to Christianity and maintaining imperial monopolies.

That the early Europeans were primarily concerned with commercial ventures and that they found First Nations willing participants in these ventures


Frost, "Nootka Sound and Beginnings of British." 104-26

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explains much of the early history of British Columbia. While there were any number of examples of friction between the trading partners, the relationship was sustained because it was to the advantage of both parties. Moreover, in those early days it is clear that First Nations had a clear sense of ownership over the resources in their traditional lands. For example, when Europeans attempted to mine the gold that had been discovered on the Queen Charlotte Islands, the project had to be abandoned because of competition from the local Haida for the ore. Similarly, during the rush after the Fraser River strike, it was not unusual for First Nations to attempt to establish their rights to charge miners for access to their lands or to mine for themselves. Gold may have had no value for traditional aboriginal cultures, but as soon as its commercial potential became clear, First Nations wasted little time in trying to exploit it.

The gold rush had a profound effect on the nature of the relationship between First Nations and the new immigrants to British Columbia. During the following decades, the province was transformed from a sparsely populated wilderness almost exclusively populated by aboriginal people into a European-style industrial economy. In the process, aboriginal people began to abandon their traditional activities in order to take their place in the new economic reality. As Knight has documented, wage work began to replace subsistence activity and in the process transformed aboriginal life. Every industry that sprang up in British

Helen Meilleur. A Pour of Rain: Stories from a West Coast Fort. (Victoria: Sono Nis. 1980), 153
Joanne Drake-Terry. The Same as Yesterday: The Lillooet Chronicle the Theft of Their Lands and Resources. (Lillooet: Lillooet Tribal Council, 1989), 35-37
Columbia drew a significant proportion of its labour from the First Nations. Lumbering, stevedoring, coal mining, fishing, agriculture, ranching, railroad construction, and transportation all utilised, and in some cases depended upon, aboriginal labour. This is not surprising given that it wasn't until the 1880's that the aboriginal population ceased to be the largest group in the province. Moreover, most of the non-aboriginal population was concentrated in the Lower Fraser valley and Victoria areas. The vast majority of the province remained predominately aboriginal.

First Nations economic aspirations were consistently undercut by a dominant assumption, held by arriving settlers and articulated by government, that aboriginal cultures themselves acted as barriers to economic success. This attitude was endemic amongst Europeans of the time. Thus Joseph Trutch wrote in 1867: "The Indians have really no right to the lands they claim, nor are they of any actual value or utility to them, and I cannot see why they should either retain these lands to the prejudice of the general interests of the Colony, or be allowed to make a market of them either to Government or to individuals." (Italics in the original) In Trutch's mind, only non-aboriginal cultures could engage in land speculation. This attitude can be traced through the early development of anthropology from folk studies. Under the influence of Darwin's theories it was widely accepted that human societies developed according to specific stages from the barbaric to the civilized. Since commercial activity was associated with civilization, it followed

Fisher, Contact and Conflict, 201
Joseph W. Trutch to the Acting Colonial Secretary, in British Columbia, Papers Connected with the Indian Land Question 1850-1875 (Victoria Wolfendon, 1875), 42
that aboriginal people could not possibly engage in the economy without first becoming civilized. When Hawthorn came to examine the impact of this philosophy on the policies of the Indian Affairs Branch, he noted an overemphasis on farming because

the agricultural policy of the Indian Affairs Branch rests on an assumption widely held in economic history - that agriculture is the logical stepping-stone for a non-industrial people like the Indians, in their transition from hunting and fishing to a modern industrial economy.

The 'cultural barrier' argument was a convenient justification for advancing settler expansion over native interests. In contrast to Trutch's views above, which were expressed in relatively private correspondence, in 1875 Attorney-General George Walkum posited the idea of establishing an independent aboriginal fishery in a formal government report. Walkum noted the enormous importance to the provincial economy of aboriginal labour and suggested that First Nations did not need land because they were more adapted to an industrial rather than agricultural economy. Walkum's argument was driven by the province's desire to minimize the amount of crown land required for the allocation of reserves. Over the following years, it would be argued that aboriginal cultures lacked sufficient thrift and foresight to protect the fishery, game species and other resources important to settler interests. As each sector of the economy became important the, 'cultural


'barrier' argument was adjusted to provide the rationale for excluding aboriginal people from participating in all but its more menial aspects.

The degree to which aboriginal people involved themselves in entrepreneurial activity in 19th century British Columbia has been underrepresented in the research. Indeed, it seems that characterisations of aboriginal labour that emphasise cultural barriers to certain kinds of economic activity have misunderstood the type of work that was available in the province during this time period. Knight argues:

Workers in these industries (both Indian and white) were not usually "permanently" employed. Men and women typically worked for different employers and at different jobs, moving from one to the other. This was so even where individuals came primarily to be loggers or longshoremen or other specialists. It was not unusual to alternate commercial fishing during the summer and fall, with logging in the early winter and spring. Alternately, fishing might be interspersed with sawmill work or a range of subsistence tasks. There were many combinations of wage labour with subsistence and independent commodity production. And for both Indian and white workers, there were variable, unpredictable but recurrent periods of unemployment.

Given that it was during this time that aboriginal labour participation was at its zenith, it is not difficult to understand that the habits derived were still evident in the 1950's when the first Hawthorn study was done. For example, becoming independent owner-operators in the logging industry may have been congenial to aboriginal cultural values, but it is also the case that the industry was organised in such a way that it required owner-operators. Experience in the labour market in fields that demanded a high degree of independence led to the gradual

Rolf Knight. Indians at Work. (1978). 31
involvement of aboriginal people in the market as true entrepreneurs. Knight observes

From the early 1870's and on, Indian entrepreneurs established a wide range of small scale enterprises. They established and operated small freighting and packing outfits, trading schooners, fish oil plants, fish and clam canneries, boat building yards, stores, hotels, small logging and sawmill outfits, and yet more diverse enterprises. While it may be grandiose to call some of these operations "plants" or "companies," they often were of a scale similar to white small enterprises then prevalent on the margins of the corporate undertakings.  

Knight's point is that as the nineteenth century drew to a close, the aboriginal population's involvement in the economy of British Columbia had come to closely emulate that of the immigrant population - most notably in the rural areas where they retained population dominance. Moreover, it is not the case that these enterprises were necessarily formed at the instigation of missionaries or the residential school system. The instance of Metlakatla stands out for its success, but it was also a short-lived experience due largely to the energy of William Duncan and his particular relationship with the Tsimshian.  

Elsewhere, aboriginal entrepreneurship sprang up in response to the conditions of the market rather than in response to an offshore moral ideal. Certainly, missionaries and the early residential schools were important sources of knowledge, but it would be a mistake to assign the impetus for these commercial ventures solely to the

Duncan arrived at Port Simpson in 1857. Shortly thereafter he was accompanied by a number of Tsimshian to Metlakatla where they avoided a smallpox epidemic and established an independent community. Under Duncan's stewardship, Metlakatla became a model English-style village and was to become a frequent port-of-call for curious tourists. Over the years, Duncan established many enterprises using Tsimshian labour and resources and became a major voice on how Indian policy should be conducted. Whether Duncan was a visionary or an egotistical despot remains hotly disputed. Either way, both he and the Metlakatlans became so disgusted with Canadian policy they emigrated to Alaska during the 1880's.
intervention of outsiders. Indeed, the involvement of missionaries was often requested by First Nations as was education (although not a separate residential school system) for aboriginal children. All the indications are that First Nations were willing to acquire the skills and knowledge that would enable them to participate in the marketplace. Therefore, the eventual failure of aboriginal entrepreneurship during the early decades of the twentieth century cannot be ascribed to an unwillingness to participate or some sort of cultural barriers inherent to First Nations. The reasons lie elsewhere with the development of government policies and the arrival of big capital.

Government Policy:

As stated above, British Columbia was first and foremost a commercial venture. Colonisation proceeded at a slow pace after the founding of the colony of Vancouver Island partly because of the relative remoteness of the location but also because of the reluctance of the Hudson's Bay Company to relinquish its hard won commercial monopoly over the area then known as New Caledonia. It was the prospect of thousands of unruly miners mostly from the rough and tumble of the California rush that left the Company with little choice but to accept the formalization of Colonial rule by the formation of the Colony of British Columbia. With the prospect of hostile action by First Nations in support of increasingly

Barry M Gough, Gunboat Frontier: British Maritime Authority and Northwest Coast Indians, 1846-90 (Vancouver: University of British Columbia Press, 1984), 179
Clarence R. Boldt, "The Conversion of the Port Simpson Tsimshian Indian Control or Missionary Manipulation?" BC Studies 57 (Spring 1983) 38-56
Duane Thomson, "The Response of Okanagan Indians to European Settlement." BC Studies 101 (Spring 1994) 112
persistent demands for treaties, Indian policy became integral to all government policy.

For better or worse, the initial force guiding early policy was James Douglas. Other work has discussed in detail the motivations and consequences of Douglas' tenure as governor of the colony and the present work has little to add. However, there are at least two important themes of the 'Douglas System' that are germane. Douglas saw the First Nations as in transition from traditional societies to integration into the modern world. Therefore, he placed great emphasis on extending full citizenship to aboriginal people, including the right to pre-empt land (i.e., homestead) as might any citizen. In the 'Douglas System' aboriginal people were to gain entry into the modern age by means of agriculture. While many, including Knight, have tended to downplay the importance of agriculture to the development of the province, it is significant that Douglas' direction to the surveyors charged with identifying reserved areas for Indians included 'cultivated fields'. Moreover, in the Fraser Valley, local aboriginal people moved quickly to pre-empt much of the best farmland available, and there was a drift of Sto lo people down the Fraser Valley in search of arable land. In the Okanagan.

For example, Douglas failed to follow Colonial Office instructions to negotiate treaties but he did extend full citizenship to aboriginal people. The latter provision being unique in North America. For a fuller discussion see Tennant, Aboriginal Peoples and Politics. The Indian Land Question in British Columbia, 1849-1989. (Vancouver: University of British Columbia Press. 1992). 32-3.

Wilson Duff. The Upper Stalo Indians of the Fraser Valley. British Columbia. Anthropology in British Columbia No. 1 (Victoria: British Columbia Provincial Museum, 1952). 41. What happened to the pre-empted land 'is not now readily apparent' according to Paul Tennant. Aboriginal Peoples and Politics. 42. It seems likely that during the confusion of laying out reserves in the Fraser Valley, pre-emptions may have become incorporated into reserves. Or, in at least one instance, it is possible that the pre-emptor had to reapply. Pre-emptions in the Fraser Valley are discussed in correspondence between R. C. Moody and Governor Douglas in 1863. British Columbia. Papers Connected. 25-7. After that time, discussions with respect to
government surveyors were guided by First Nations to mark out reserves reflecting agricultural values. The inference is that First Nations already understood the importance of agriculture long before they were instructed by missionaries and residential schools.

Douglas had a wide and direct knowledge of the First Nations. Indeed, throughout his adult life he had spent more time amongst aboriginal people than Europeans. Therefore, it seems reasonable to view Douglas' policies towards First Nations as stemming from a conviction that traditional lifeways were a thing of the past while still upholding the right of aboriginal people to be treated as the equals of Europeans. Thus it might be argued that Douglas began a policy of assimilation, but since the European population was greatly outnumbered in the 1860's, this characterisation is unsatisfactory. It is more accurate to describe his policies as integrative, particularly since even amongst the newcomers the 'British' contingent was largely restricted to Victoria. Establishing an integrated order on a provincial scale amongst immigrants from all parts of the globe provided an integration challenge far larger than that presented by the First Nations alone. Douglas' task was to create a modern political entity out of a loosely integrated commercial marketplace. Moreover, this marketplace was populated by many who had little or no experience of European-style state structures (Hawaiians, Red River Metis and mixed bloods) or were generally hostile to it (Americans from California).

Quantities of land appear to be restricted to questions of reserve size. Aboriginal pre-emption was specifically excluded in the Land Act of 1870, although there was at least one exception. Ibid. Appendix A. 4
Whether the 'Douglas System' would have succeeded in producing an integrated British Columbia will never be known. In 1864 he retired, and Indian policy became the more or less exclusive responsibility of Joseph Trutch in his capacity as Chief Commissioner of Lands and Works. Tennant describes Trutch as working "with little knowledge of Indians, but considerable prejudice." Under Trutch's stewardship, any pretensions of First Nations to having meaningful rights eroded such that shortly after British Columbia's entry into Confederation, virtually none remained. Most importantly, for the present work, Trutch set about removing the remaining First Nations land base, thereby effectively destroying any hopes of establishing an agricultural or resource-based economic advantage and beginning the process of alienating First Nations from the economic growth of the province except as a reserve labour force.

As Tennant has demonstrated, Trutch's policies involved the creation of a new mythology about the First Nations that was convenient to the new settlers: First Nations were no longer perceived as astute trading partners eager to take advantage of new relationships and technologies, but were transformed into uncivilised 'beasts of the field.' The new doctrine asserted that First Nations had never owned land or resources in British Columbia because they were incapable of understanding the concept of ownership. Aboriginal individuals were refused the opportunity to acquire land (as might any settler) because it was assumed they

Tennant, Aboriginal Peoples and Politics. 39
Ibid. 39-52

The phrase was used by Premier Smythe at a meeting with Nisga'a and Tsimshian chiefs with provincial and federal officials in January of 1887. Ibid. 56
could not 'improve' it. Indians were denied the provincial vote, while responsibility for them was shunted onto the federal government because of its exclusive jurisdiction under the Indian Act - itself predicated on the assumption that aboriginal people were as children.

While the issue of land claims is not specific to this work, the effect of the denial of aboriginal title has had important ramifications for the economic position of First Nations. The new mythology created by the settler population threatened even those lands theoretically protected as reserve lands. Settlers discovered clearings that First Nations had been tending in order to cultivate Indian potatoes and later white potatoes, mistook them for natural occurrences because of their fallow state, and occupied them for their own use. In the Okanagan, prime bottom land was taken over by a settler although it was clearly reserve land, and on the coast traditional fishing spots were appropriated by canneries. Village sites were removed to make way for sawmills. Even the beach at modern day Kitsilano was appropriated when a settler apparently stole an aboriginal man's house.

As these incidents multiplied and reserve lands were reduced by governments that placed settler interests ahead of aboriginal title, the economic self-reliance of First Nations disappeared. First Nations were acutely aware of the predicament they were being forced into. The meeting of the Nlha7kapmx at

Wayne Suttles. "The Early Diffusion." 280
Fisher. Contact and Conflict. 116-117

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Lytton in 1879 was an attempt to cope with the increasingly arbitrary use of authority by the provincial government. In essence, the meeting was an attempt to create a form of government based upon Euro-Canadian law that would ensure the Nlha7kapmx Nation and its members security of rights and land tenure. The Nlha7kapmx plan demonstrated that they understood the relationship of legal principles to economic development. However, the meeting aroused the uncompromising hostility of provincial authorities, who feared that the formation of powerful aboriginal confederations would limit access to lands and resources.

Later, in 1887, a Nisga'a chief compared the Nass River to a purseful of money, while in the southern interior First Nations complained of lack of grazing land for their cattle. Certainly, in these protests, petitions, and complaints, there was an element of First Nations wanting to preserve land for their traditional pursuits, but there was also a growing sense that the traditional land base was important for the changing economic reality of the times. Without land for traditional pursuits, without enough land for subsistence pursuits, aboriginal people were forced to find employment in whatever way they could. In short, the expropriation of First Nations' land forced aboriginal people into the wage economy and severely restricted the available wealth that could have supported entrepreneurial activity. First Nations' capital was their land and resources - without them aboriginal people had no way to capitalise economic ventures. As the 19th century came to a close, any potential source of capital became tightly controlled by Indian Agents who


Tennant, Aboriginal Peoples and Politics, 62
often severely underestimated First Nations ability to organise their own economic affairs. Trutch and his contemporaries began a process of impoverishing First Nations while simultaneously maintaining that the impoverishment was self created.

**Big Capital:**

During the final decades of the nineteenth and the first decades of the twentieth century, British Columbia's economy was marked by the consolidation of control in the hands of large capital ventures. Government policies came to be directed towards securing resources and labour for rapidly expanding and increasingly capitalised resource industries. The phenomenal growth of the fish processing, lumber, mining and agricultural industries brought with them the British Columbian species of 'robber barons' and corporate conglomerates with all the usual evils of unbridled capitalism. For the First Nations, their first up close and personal experiences of the corporate world came during this period. The great-grandparents of today's aboriginal leadership were the victims of an almost universal disregard for their lands and resources in order to feed the appetite of the new industrial British Columbia.

Knight argues that aboriginal enterprise foundered during the early part of the twentieth century because, like their non-aboriginal peers, these early enterprises tended to be small and, therefore, could not withstand the various depressions and increasing concentration of capital that marked the British
Columbian economy during these years. However, this position neglects the devastating effects on the First Nations of the loss of their lands and resource base. Nowhere is this more apparent than in the growth of the fishing industry. The pre-contact British Columbian economy depended on fish to such an extent that some scholars have suggested that salmon constituted a form of currency. With the initiation of the fur trade, fish were regularly traded to the ships that came calling as well providing the principle supply of protein to the various land forts. So important were fish to the bulk of the aboriginal population that it is small wonder that their technology in the fishery was a source of constant comment by early explorers and ethnographers. But as the value of the fishery became apparent to non-aboriginal commercial interests the First Nations were alienated from the resource that sustained them and of which they formerly had exclusive use.

Newell has documented how the myth of the beastly Indian provided the rationale for the government to act on demands of the cannery industry. First Nations were characterised as unable to plan for the future and thus care for the resource. Despite the obvious waste and destruction brought about by industrial development both in terms of the number and means by which fish were caught, as well as the environmental havoc wrought by other industries, government’s efforts at conservation were directed at the indigenous fishery. Federal legislation with respect to licensing, openings, and technology consistently favoured the cannery interests at the expense of First Nations. By 1911 some Nations in the interior

Knight. *Indians at Work*. 196-198
Newell. *Tangled Webs*. 30-1
Drake-Terry. *The Same as Yesterday*. 16
were literally facing starvation because of government attacks on their weirs and the creation of the so-called 'food fishery' that was specifically designed to prevent the commercial exploitation of fish by First Nations. Meanwhile, aboriginal labour was crucial to the operation of the canning industry where the control of the canneries over boat licensing tied labour to the industry in a form of indenture. The story was repeated each time a new species became commercially viable. The alienation of First Nations from the fishery was perhaps the single most destructive process experienced by the majority of First Nations in British Columbia.

Between 1871 and 1966 some 223 canneries opened on the Pacific coast - none of them owned by aboriginal interests. A brief exception was at Metlakatla where a cannery was established in 1881 that operated for 'several seasons' as part of Duncan's overall village plan and a number of plants produced dogfish oil for lubrication purposes until the market disappeared shortly after the turn of the century. Moreover, the industry became more monopolistic with half the canneries joining together to become BC Packers while other canneries formed regional associations. In short, despite the enormous use of aboriginal labour, 

Newell, Tangled Webs. 94 -95
Ibid. 105

Whether this cannery, or any of the commercial interests at Metlakatla were actually owned by the Tsimshian, or by Duncan himself, was the subject of considerable debate between Duncan and the Tsimshian. Duncan did not separate his own wealth from that of the Metlakatla settlement and resisted attempts by the Tsimshian to seek education beyond Metlakatla thereby ensuring he was never held accountable. The story is told in Peter Murray, The Devil and Mr. Duncan, A History of the Two Metlakatlas (Victoria: Sono Nis Press, 1985).

Knight, Indians at Work, 276
Newell, Tangled Webs, 71-72

In 1964, Wilson Duff stated that the fishing industry employed one third of all wage earning aboriginal people. Indian History, 86.
by the turn of the century First Nations had lost political and economic control over a resource that had sustained them for millennia.

Licensing and regulation had thus served to capture Indian labour for the white-owned industry at a time when labour was scarce. But Indians became involved under a scheme that paid them for their labour, not for the sale of their resources, as some government officials would later imply. Corralling Indian labour for the white-owned industry, along with other measures such as banning use of the highly productive Indian fishing technologies, eventually undermined Indians' ability to continue their ancient entrepreneurial traditions on their own terms.

A similar story developed with respect to agriculture. While it may be true, as Knight maintains, that in comparison to mining, logging and the fishery British Columbia was never a farming frontier, the importance of arable land was uppermost in the minds of Europeans from the very beginning. Each trading fort established gardens to help in their sustenance, and it is likely that it was from these locations that the potato spread throughout the coast and southern interior. The early settlers established farms on southern Vancouver Island and then as the mainland was opened up in the wake of the gold rush, the farmers followed. Under the 'Douglas System', aboriginal people pre-empted large amounts of farmland in the lower Fraser Valley. In the Okanagan the First Nations "were not unaware of the value of their land in 1861 [choosing] most of the good bottom land at the Head of the Lake and at Penticton. They retained their village sites, their fishery locations and garden plots, and a good base for winter-ranging their livestock."

In the southeast corner of the province, before the arrival of settlers, the Kootenay

Newell, Tangled Webs, 77
Knight, Indians at Work, 28
Tennant, Aboriginal Peoples and Politics, 35
Thomson, "The Response of the Okanagan Indians," 102
were increasingly turning to keeping cattle in response to the decline of the buffalo they had traditionally hunted. By the 1880's farming and livestock production was becoming a staple of virtually every First Nation where it was possible.

The possibility of a productive First Nations farming sector vanished with the land. In 1866 the right of aboriginal people to pre-empt land without the specific written consent of the governor was removed by the colonial legislature. Henceforth, the only land that First Nations could occupy were those allotted by British Columbia. From 1858 until the 1930's, aboriginal farmers tried to survive under various political regimes, Reserve Commissioners and Commissions of Inquiry that would arbitrarily grant land one year only to take it away at a later date. Of the Okanagan peoples Thomson writes:

As different white governments gave and took land, they confiscated Indian improvements and, hence, insecurity of land tenure was a severe disability to Indians attempting to become established as farmers. Indian farmers were forced to apply to the Department of Indian Affairs for permission on such simple matters as building a fence or cutting logs on the reserve. An inadequate land base, lack of access to off-reserve lands, insecurity of tenure, and an inability to make fundamental economic decisions combined to severely hamper Okanagan Indian progress.

The impossibility of First Nations establishing economic farming ventures was confirmed by the provincial government refusal to grant access to water. In theory the reason for this policy was that First Nations did not own land in fee.

Fisher, Contact and Conflict. 203
Knight, Indians at Work. 69
Tennant, Aboriginal Peoples and Politics. 41
After Union with Canada reserve lands became the responsibility of the federal government, but title was not transferred until 1938. Ibid. 114
Thomson, "Response of the Okanagan Indians." 104
Ibid. 112-113
simple (The status of Indian Reserves as lands held in trust rather than owned fee
simple would also have prevented First Nations from obtaining loans using land as
collateral - as it does today. Moreover, Indian Agents throughout Canada
effectively controlled all such financial transactions without meaningful dissent
until the 1984 Guerin\(^\text{92}\) judgement.) In fact, the policy was of a piece with the
preference given to settlers and land speculators. Farming and ranch operations in
British Columbia became increasingly capitalised with ownership becoming
concentrated in large British and European development projects.\(^\text{93}\) Government
demonstrated in agriculture, as it had in the fishery, that resources owned by First
Nations could be appropriated in order to further corporate ambitions. The
consequence for aboriginal farmers and ranchers was the same as for aboriginal
fishers: where once they utilised their own resource they were transformed into a
reserve labour pool for non-aboriginal interests.\(^\text{64}\)

The dispossession of First Nations from their lands and their alienation
from the fishery left aboriginal people with only their hunting and gathering
tradition from which to gain a modicum of independent income. Hunting,
gathering, and trapping were theoretically protected on crown lands. However, as

Briefly, the Guerin judgement involved the leasing of Musqueum lands for a golf course
and housing development. The leases had been signed by the Indian Superintendent despite the
fact that he had not explained their conditions to the Musqueum Band. The Supreme Court of
Canada found that Indian Affairs had acted negligently in not seeking Band approval and for
leasing lands below market rates. Kulchyski, Unjust Relations, 151-81
Knight, Indians at Work, 261
Thomson, "Response of the Okanagan Indians," 109

There were some exceptions. Knight mentions John Chilliheeta, chief of the Nicola
Band and Jim Michel, Indians at Work, 74. However, Thomson implies that individual success
was dependent on having a political "in" "continued access to this land was subject to the whim of
the white Indian Agent and the current chief and his claue." "The Response of the Okanagan
Indians." 104
settlement and exploration proceeded throughout the province, these lands were
alienated for forestry and mining interests. As with the fishery and agricultural
sectors, the real impact on First Nations of these industrial ventures became
apparent after the turn of the century as "internationally known financial
baronages" speculated on British Columbian resources and began building highly
capitalised plants and operations.

Some measure of the scale of the extraction can be appreciated from the
figures assembled by Price Waterhouse on behalf of the Nisga'a Tribal Council.
This research shows that between 1921 and 1930 the Nass fishery reached a peak
of approximately 37,000 tonnes harvested (a peak not equalled again until the
1980's) and that half of the resource was taken by 1940. The same decade saw
the greatest mineral extraction, 37,000 ounces of gold, more than a million ounces
of silver, and approximately 175,000 kilograms of copper. The exception is the
forestry sector. Forest resources remained relatively untouched until the 1950's but
have since decreased exponentially with half the resource removed since 1980.
The Nisga'a Calculation of Loss is not solely predicated on an assumption that they
would have removed these resources themselves to sell on the open market.
Rather, they also note the loss of revenue through licensing and taxes that could
have contributed to providing a capital base for their Nation. On this basis, and in
current dollars, the calculation of loss for the fishery is a low of $411 million to a

Knight, Indians at Work, 29
G W Taylor, Timber History of the Forest Industry in B.C., (Vancouver J J Douglas
Ltd., 1975), 34-76
Price Waterhouse, Nisga'a Tribal Council. Calculation of Loss, (n p 1995), 323
Ibid., 332
Ibid., 314
high of $1,085 million, for mining $46 million to $188 million, and for forestry $1,254 million to $3,025 million.

Elsewhere, independent aboriginal logging operations tended to be restricted to small sawmills and handlogging operations that eventually collapsed under a variety of logging regulations introduced after the turn of the century. The most destructive regulation appears to have been the restriction of crown timber claims to voters introduced in 1908. Since Indians could not vote, this regulation effectively limited First Nations logging operations to their reserve lands. Thus, although aboriginal people worked throughout the logging industry, in some cases logging their own hereditary lands, they were working for others - not themselves.

Wherever loggers go they not only destroy habitat, but, more importantly, they create access to and competition for wildlife resources. The early part of the century brought increased hunting regulation and, as with the fishery, a mythology that First Nations threatened the health of game species. Thus the relentless advance of settlement and the steady inroads of large industrial development and

Knight, Indians at Work, 117
Aboriginal people were in fact the first 'loggers' in B C. The first recorded transaction for lumber was at Nootka Sound in 1791 and the first use of aboriginal labour for logging was at Fort Rupert in 1847. Turner, Timber, 8-9. See also the use of aboriginal labour as a device to keep wages low in the Hastings Mill. Ibid., 110-1

For a poignant picture of the effects of logging on ancestral lands see Nettie Wild's film Blockade (Canada Productions Ltd and The National Film Board of Canada, 1994) about the Gitxsan and Wet'suwet'en. Although the film records events from the 1980's, there is no reason to suppose that the social effects of logging were significantly different for Nations in the lower mainland from the 1890's to the 1920's.

Hugh Brody identifies road access as the single greatest threat to the Beaver First Nation's subsistence activities. Hugh Brody, Maps and Dreams: Indians and the British Columbia Frontier (Vancouver: Douglas and McIntyre, 1998), 253-4, 276-9

Hawthorne, Indians of British Columbia, 97-9
government legislation and regulation combined to shrink First Nations resource base to the small tracts of land reserved for them. For those Nations that were still relatively isolated, traditional hunting and gathering activities persisted, but for those located in accessible or desirable areas traditional activities virtually disappeared. By the advent of World War Two, most aboriginal people throughout the province had little choice but to join the wage labour force of whatever industry was predominant in their area, or begin the search for employment opportunities away from their traditional homelands.

**The Lost Opportunity:**

In his introduction to the second edition of his *Contact and Conflict*, Robin Fisher chastises Rolf Knight:

Knight also writes as if traditional culture were of little consequence as aboriginal peoples shared the joys of joining the workforce and being exploited along with white workers. In spite of the deficiencies of his research, Knight is said to have modified my assertion that Indians were reduced "to a peripheral role in British Columbia's economy." In fact, Knight modifies nothing because he has proven nothing. Rather, he has floated an interesting and important idea... We need the cumulative results of more local studies... before we can reach broad conclusions about the importance of Native people in the labour force and the significance of wage labour to the Native economy."

While Fisher's critique of Knight's methodology is probably correct, we cannot lose sight of the fact that Knight's purpose was not to be definitive but to point scholars in a different direction. The dominance of ethnographic studies that have attempted to discover the 'traditional' aspects of First Nations has led to a...
bias in the research that tends to beg the question of how First Nations supported themselves after the demise of the fur trade. Fisher uses Brody's work to demonstrate the continued viability of traditional forms of subsistence in the face of settler incursions. This is rather stretching the point if he is trying to demonstrate that traditional economies continue to obtain throughout the province. It takes into account neither the relatively small populations involved in Brody's study, nor the fact that the Peace Country was still a 'frontier' when Brody was there, a point that is obvious from Brody's subtitle *Indians and the British Columbia Frontier*. In contrast, the Fraser Valley, the southern interior, and most of Vancouver Island have not been 'frontiers' for a century or more.

The period between the 1860's and the onset of World War Two is significant for the present work not solely because First Nations' traditional economies were threatened (although they obviously were), but because the attempts made by aboriginal people individually and First Nations collectively to enter the new economic realities around them were stifled and eventually extinguished by the twin efforts of government and big capital. Insofar as traditional activities persist, it may be true that this is because some First Nations want them to persist - but it is equally true that they didn't have much choice. Insofar as the larger economy wanted (or tolerated) First Nations, it was as a source of dependent labour, not as competition. Who can say whether Nations in the southern interior would not have developed a tree fruit industry or failed to operate profitable ranches had they had sufficient land and water access? Or that

Fisher. *Contact and Conflict*. xx
the coastal and riverine Nations with access to the fish resource would not have
developed their own commercial fishery? Or that First Nations would not have
exploited the forestry or mineral resources in their lands?

In fact, it seems that from the very first fish traded to a European sailor,
from the first potato sold to a fur trader, and from the first scramble for mineral
ore, First Nations were willing and able to participate in the market economy
Their business strategies, land use, principles of ownership and their distribution of
profits would surely have been different, but is this really significant? To assert that
First Nations' economic structures would probably have had similarities and
differences to European-style business operations is no more surprising than that
European and Japanese business practices have their similarities and differences
What can be said with some degree of surety is Whatever the economic potential
of First Nations might have been, it was systematically removed from the
provincial economy by the midpoint of the twentieth century

The question of timing is important for the present work. A myth has
grown up that the wrongs done to First Nations were done 'back in the nineteenth
century.' That current land claims are an attempt to assuage the sins of the distant
past. However, as we have seen, First Nations were probably in better economic
shape in the 1880's than they were to become by the 1930's. The real nadir of
aboriginal economic activity did not occur until after the turn of the century, and
even then it was not felt everywhere. It was the opening decades of the twentieth
century that saw the destruction of an independent aboriginal fishery, the
introduction of wildlife regulation, denial of water rights, land cut-offs, and the
exclusion of aboriginal logging from Crown Lands. These repressive measures
were justified through a series of myths created to deny aboriginal economic
competence because of fabricated cultural barriers. As each myth was created and
adjusted to meet non-aboriginal requirements, First Nations found themselves
more and more marginalized within British Columbia. Therefore, the destructive
collusion of government and capital is still within the living memory of First
Nations. As government and business interests in the 1990's sit down to negotiate
treaties, their aboriginal counterparts will be the grandchildren of people their
organisations bankrupted as little as fifty years before.
## Imputed Cultural Barriers and Non-Aboriginal Responses

<table>
<thead>
<tr>
<th>Imputed Cultural Barrier</th>
<th>Non-aboriginal Response</th>
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<tbody>
<tr>
<td>Aboriginal people do not &quot;improve&quot; land</td>
<td>Aboriginal people confined to small reserves and denied the right of preemption. (1870-1953) Newly available lands turned over to land speculators who also do not &quot;improve&quot; it.</td>
</tr>
<tr>
<td>Aboriginal people do not conceive of land as property</td>
<td>Aboriginal people prevented from selling or leasing property. Reserve land held in trust. (To present, but weakened by Guerin, 1984)</td>
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<tr>
<td>Aboriginal people cannot care for their own financial affairs</td>
<td>Band funds are held &quot;in trust&quot; and administered by Indian Affairs. (Local administration devolved beginning in the 1960's)</td>
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<tr>
<td>Aboriginal people do not understand the value of work</td>
<td>Residential schools require half of each day to be spent in &quot;vocational&quot; training. Usually understood as farm labour. (To 1949)</td>
</tr>
<tr>
<td>Aboriginal people are not &quot;civilized&quot;</td>
<td>Agriculture is a necessary step to &quot;civilization.&quot; Indian Affairs requires agricultural pursuits on reserve and agricultural training in residential schools. (To 1949)</td>
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<td>First Nations do not understand the principles of conservation in the fishery</td>
<td>Introduction of the &quot;food fishery,&quot; effectively denying an independent aboriginal commercial fishery. Destruction of aboriginal fishing technologies such as weirs and fish wheels. (Beginning 1897, confirmed in Sparrow, 1990)</td>
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<tr>
<td>First Nations do not understand the principle of conservation of wildlife</td>
<td>Introduction and enforcement of hunting regulations. Government administration of traplines. (1911)</td>
</tr>
<tr>
<td>Aboriginal people are victims of unscrupulous White Men</td>
<td>Curtailment of free assembly, &quot;pass&quot; laws, banning of representation of First Nations by lawyers. (To 1951)</td>
</tr>
<tr>
<td>First Nations cannot engage in medium or large scale business ventures</td>
<td>Restriction of aboriginal logging to Reserves. (1908-1949) Leasing of mineral deposits by Indian Affairs to non-aboriginal interests</td>
</tr>
<tr>
<td>All Aboriginal people are unreliable workers</td>
<td>Restrictive and racist employment policies, particularly in the expanding resource industries. (1950's onwards)</td>
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Chapter Two

Assimilation Fails: 1930's to 1970's

In 1875 British Columbia's Attorney General wrote the following.

The policy of the Dominion aims at a concentration of the Indians upon Reserves, while that of the Crown Colony, besides granting Reserves in cases where the Indians preferred them, courted rather an opposite result .... Under this policy the Natives were invited and encouraged to mingle with and live amongst the white population with a view of weaning them by degrees from savage life, and of gradually leading them by example and precept to adopt habits of peace, honesty and industry " (Italics in original)

The statement is clearly self-serving and not a little deceptive. As a description of the 'Douglas System' it has some basis in fact but fails to mention that the system had been entirely abandoned before British Columbia entered confederation. Nevertheless, as a description of federal policy the statement is rather more accurate. The federal government had pursued a policy of separating First Nations from Canadian society at large, preferring to concentrate First Nations into pockets where they could be more easily managed - or civilised in the parlance of the age. However, the experience of the consequences of unfettered racism was graphically brought home throughout the western world after World War Two by the discovery of the Nazi death camps. Defending social policies based upon racial differentiation became increasingly difficult. Thus, during the late 1940's and through the 1950's government removed many of its most objectionable laws. The province granted the right to vote to aboriginal people (as well as the
Chinese and Japanese), provincial Indian liquor laws were abolished, and the right of aboriginal people to pre-empt land was re-stated. Meanwhile, the federal government cast about for ways to change its relationship with First Nations. In 1951 the sections of the Indian Act outlawing land claim agitation, potlatches, and 'Indian ceremonials' were repealed. In addition, the Act was redesigned to place more emphasis on self-determination.

First Nations' response to these changes was mixed. For example, extending of the provincial franchise was accepted by the northwest coastal Nations represented by the Indian Brotherhood, however it was vehemently opposed by the predominantly Salish Confederacy of the Indian Tribes of British Columbia. At issue was whether the acceptance of the franchise would affect First Nations' claim to special rights. This dilemma came to dominate relations between First Nations and government from this point forward as governments invited aboriginal people into the body politic of Canada as equal citizens in return for the abandonment of considerations of special status. The debate was to have significant political and legal implications, but it also profoundly affected the economic conditions within which aboriginal people tried to support themselves.

During the course of the 1930's aboriginal employment patterns had reached an equilibrium. The majority of personal income was derived from three equally important major sources: Agriculture, fishing, and wage work. Virtually all

The Indian Brotherhood began as a service organisation because of injunctions contained within the Indian Act against land claim agitation. Its membership consisted largely of north coastal fishermen and was, therefore, primarily Protestant. In contrast, the Salish Confederacy was largely Catholic and primarily drew its membership from the Fraser River drainage system. Tennant, Aboriginal Peoples and Politics, 121-122. Ibid., 122.
income was seasonal and was earned in an established round of fishing and cannery work on the coast (particularly the Lower Fraser), hop picking and fruit picking in Washington State and the Okanagan, and subsistence farming, trapping, or fishing depending on the location of each individual's home. To varying degrees, again depending on location, this annual round was supplemented by local wage work in forestry, ranching, construction, handicrafts, or other semiskilled or unskilled labour.

The outbreak of war in 1939 significantly added to aboriginal wage earning. According to Indian Affairs statistics,75 (See Table 1, Appendix 1) annual aboriginal income tripled from approximately $2 million in 1939 to $6.2 million in 1945. The internment of Japanese fishers enabled aboriginal fishers to increase their income from $524,900 in 1940 to $1.9 million in 1945. The number of aboriginal fishing boat operators increased from an estimated 100 or more boats in 1936,80 to some 3,400 commercial licenses owned by aboriginal people in 1950.81 But while the fishery accounted for a higher percentage of all aboriginal income in 1945 (to 30.14% from 25.44% in 1939), it was in wage earning that the greatest increase occurred. In 1939 wages accounted for 26.7% of aboriginal earnings, by 1945 the percentage had increased to 35.49% - to some $2.2 million. Meanwhile the agricultural contribution to aboriginal income actually fell from 24.62% in 1939 to 17.2% in 1945. Similarly, the income contribution of hunting and trapping declined from 10.6% to 7.1% during the same period. Clearly, in a time of national

Canada. Department of Indian Affairs. Annual Reports. 1939 - 1945
Canada. Department of Indian Affairs. Annual Report. 1936, 206
Canada. Department of Indian Affairs. Annual Report. 1950, 59

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emergency where able-bodied men and women were in short supply, the aboriginal reserve labour created by government and business policies during previous decades could be utilised and aboriginal people took advantage of new employment opportunities.

War industries tended to encourage a movement of aboriginal people off reserves and into the industrial centres. "Because of war conditions, large numbers of the Indian population moved to the densely populated industrial areas." As early as 1942, "There was a steady demand throughout the year for girl graduates of residential schools to work as domestics in the larger centres. A large number of these girls have now found employment, not only as domestics, but in war industries." Thus, despite the fact that "Indians are not only encouraged but urged to make agriculture or stock-raising their chief occupation," the evidence reveals that aboriginal people engaged in whatever work would provide them with the highest wages. Indian Affairs complained of the large numbers of aboriginal people who went to labour in American hop fields and orchards or took advantage of high wages in the American lumber industry instead of staying home to cultivate farms that were known to be uneconomic due to insufficient land or poor irrigation. Nevertheless, Indian Affairs was pleased to report that in 1940, "Relief and Welfare costs in B.C. remain low and appear to have reached a figure when further reductions can scarcely be expected, if adequate provision is to be made for the old and physically incapacitated members of the bands."

Canada. Department of Indian Affairs. Annual Report, 1946. 205
Canada. Department of Indian Affairs. Annual Report, 1943. 151
Canada. Department of Indian Affairs. Annual Report, 1945. 163
The war boom did not survive into the 1950's. In 1947 Indian Affairs noted that: "There were indications during the year that economic conditions among the Indians were being affected by increased competition in employment and other fields." This increased competition may account for the same Report noting that aboriginal people were accepting more permanent employment and beginning to accept the need to relocate both themselves and their families near such employment. By 1959 Indian Affairs stated emphatically: 'It has become increasingly evident that more and more Indians were and are on the move. Individually and in groups they have moved in search of a more stable form of economy than existed in their home reserve area.'

But how capable were aboriginal people of competing with their fellow British Columbians? In the decades that followed the war it became increasingly apparent that aboriginal people could not compete. The post-war period saw a radical redesign of the British Columbian economy for which aboriginal people were hopelessly unprepared. Economic development proceeded without regard for its effects on First Nations' already inadequate land and resource base. Once again, First Nations found themselves pushed to the margins of the economy.

Up until the 1930's, it had been reasonable for non-aboriginal British Columbians to expect that the 'Indian problem' might simply disappear with the enormous decline in aboriginal populations. Pre-contact estimates of First Nations' populations are notoriously difficult to estimate. In his 1964 review of the

Canada. Department of Indian Affairs. Annual Report, 1941. 167
Canada. Department of Indian Affairs. Annual Report, 1948. 206
Canada. Department of Indian Affairs. Annual Report, 1960. 69

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literature, all dependent upon the first rough census conducted by the Hudson's Bay Company, Duff estimated the indigenous population to have been somewhere in excess of eighty thousand in 1835. Already by this time there had been at least two significant smallpox outbreaks in the Pacific Northwest, the first of which is estimated to have killed at a rate in excess of thirty percent during the 1770's. Whatever the actual mortality, aboriginal populations were in steady decline until they reached a low point of 22,605 in 1929. Population began to increase during the 1930's and gained momentum during the following decades. By 1963 the aboriginal population had virtually doubled to some 40,800 registered Indians with an annual increase of approximately three percent. The population was extremely young with a median age of fifteen to sixteen years - half of the non-aboriginal mean. Moreover, the birth rate was also double that of the non-aboriginal population.

As the population grew, pressure on reserve lands increased. Reserve boundaries were finally fixed when they were conveyed to the federal government in 1938, however, their size had been effectively determined in 1916 by the report of the McKenna-McBride Commission. The allocation of reserve lands was based

Duff, Indian History. 39
Duff, Indian History. 39
Duff, Indian History. (1964). Pgs 44-49 Note the discussion of the differences between 'Registered' populations (a distinction introduced in 1951) versus self-identified populations. During this period aboriginal people could still 'enfranchise' (lose Indian status but gain the right to vote and so forth) chiefly when women married non-Indians. Had populations been calculated under the present system of registration, they would have been considerably higher. According to Indian Affairs, in 1991 some 16% of all registered Indians were registered under Bill C-31 (1985) which restored status to those who had it removed due to "discriminatory" clauses of the Indian Act. Since Bill C-31 registrations are still occurring, this figure is probably still too low. Canada, Indian and Northern Affairs Canada. Basic Departmental Data 1992. 6
on an aboriginal population that was approaching its lowest ebb. Thus, reserve allocations became increasingly inadequate as the population expanded rapidly. By 1963, more than 18 percent of all Registered Indians were living off reserve. Certainly, part of this exodus was driven by purely economic considerations, but it is also the case that the reserve system was simply running out of room.

The large number of aboriginal children placed great stress on the Indian education system. “Out of a total of more than 31,000 Indians in the Province, in March 1955, 7,665 or approximately one-quarter were in school, compared with the one-sixth which is the approximate proportion of the school-group within the total population of the Province.” In the post-war climate, Indian Affairs tried to get the provinces to take more responsibility for educating the aboriginal populations within their borders. In British Columbia, only 124 aboriginal children attended provincial schools in 1946-47, but this number had grown to 1,860 by 1955. Although residential schools did not close until the early 1970’s, Indian Affairs moved away from the model and began building day schools on reserve. Thus, by 1955, about sixty six percent of all aboriginal children were educated either on their home reserves or in provincial schools in the immediate vicinity. Either way, all aboriginal children were supposed to be receiving the provincial curriculum.

Hawthorn. Indians of British Columbia. 291
Ibid. 291
When Hawthorn came to examine aboriginal education in 1955, he noted a number of difficulties faced by aboriginal children but not their non-aboriginal peers. To begin with, just getting to school was a challenge.

The livelihood of many Indian families requires the seasonal or irregular pursuit of employment or sustenance away from their winter homes. Attendance figures of children at school reflect, among other things, the movement away from home reserve to cannery, to hay meadow, to fishing station, or fruit-picking. Further, the lapse from full attendance by all children is often greater for the gross enrolment itself may grow and decline seasonally. In communities where parents move in order to obtain employment, September enrolment is small, October and November show an increase, and the winter months maintain an attendance which compares favourably with other rural school systems.

Thus, the demand by capital for a seasonal labour pool became self-perpetuating in its effect on children's schooling discouraging full attendance but also by reinforcing the notion that education did not affect one's ability to earn a living. After all, one did not need to be literate to pick hops. Moreover, once the children were actually in school, they found "a significant minority of... the teachers ascribing the difficulties of this particular teaching to special biological qualities of the Indian, to intellectual limitations seen as a part of Indian inheritance" (Such a statement provides an oblique indication of the level of education the teachers themselves had attained.) Hawthorn's work identified the fact that the vast majority of those attempting to teach aboriginal children had little or no understanding of the socio-cultural position of aboriginal children and that a significant minority of them were openly hostile.

Ibid. 292
Ibid. 300
Rather than look to their own attitudes, the curriculum, and the cultural conflicts that were inevitable, most teachers tended to blame aboriginal parents for not being supportive enough. But most aboriginal children did not speak English as their first language and many parents and grandparents had only a dim understanding of how schools worked - although they seem to have had a general and growing notion that education was a good idea. As one of Hawthorn's field workers put it: "it is now accepted that education is a good thing, though nobody seems to know why." Moreover, those parents who had attended residential schools in the past knew that education had more to do with acculturation than education and that school work was often 'grunt work' such as hauling wood and water, usually justified as training in the importance of labour.

Similarly, Indian Schools were operated by religious organisations who clearly saw religious instruction, not the provincial curriculum, as their most important function. The story of the Moberly Lake School is instructive in this instance. In 1954 the provincial school had to shut its doors because the teacher resigned. The local Oblate priest, Father Jungbluth, had been advocating "for a 'real Indian school,' because 'an Indian school was a Catholic school'". In the absence of a functioning provincial school Jungbluth became the teacher but he did not use the provincial school nor its equipment. Instead he sent to Alberta for obsolete Catholic texts, and despite having no qualifications and no aptitude for

Quoted in Ibid. 296
Drake-Terry. Same as Yesterday. 190-192

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teaching, he persisted in trying to run his 'real Indian School' after the public school reopened. When Jungbluth was finally shut down by the Indian School Inspector, the priest felt that he had been undermined by Protestants who "were not too happy I had a school." Many of the children caught in this battle of church and state were so confused that they simply gave up and left school altogether.

Nevertheless, out of this chaos of educational change emerged a few well educated aboriginal people. Tennant notes:

The new high school graduates were the first generation of British Columbia Indians to have extensive first-hand familiarity with day-to-day details of white society. They had a range of skills, including literacy and the ability to deal with bureaucratic routines, that had formerly been the preserve of a very few Indians.

The increasing dominance of secular education in the residential schools improved the overall level of education and their persistence into the 1960's also provided an incubator for a pan-Indian consciousness because the schools brought together children from all over the province. According to Tennant: "[Indians] could not have formed and maintained organisations had they not had the lingua franca that English provided, had they not been able to read and write, and had they not had networks of personal contacts composed of former schoolmates."

This body of educated and accomplished aboriginal people tended to concern themselves with political and social issues. This was because better education failed to enable aboriginal people to participate in the economic benefits of the British Columbian economy, but rather fuelled political action to resolve

Ibid. 173
Tennant. Aboriginal Peoples and Politics. 140
Ibid. 81
land and resource issues that had been outstanding for a century or more. Few, if any, aboriginal people turned their attention to business opportunities because, put bluntly, there weren't any. First Nations remained resource poor and abysmally under-capitalized. Furthermore, economic development remained firmly under the control of Indian Superintendents (formerly Indian Agents) who tended to be a more conservative and paternalistic group than their superiors in Ottawa. 102

By the mid 1930's First Nations had no control over the limited capital resources available to them. Provisions in the Indian Act against seizure of aboriginal property ensured that commercial credit was virtually unavailable. Capital created from timber sales, mining leases, and annuities were insignificant compared to what aboriginal people were earning for themselves. Band income varied widely depending on local resources and tended to be uneven over time. Moreover, this income was controlled by Indian Affairs on behalf of First Nations and tended to be used for non-investment purposes such as housing and public works. 103 To counteract this problem, Indian Affairs established a Revolving Fund in 1938, although it wasn't until 1942 that any money found its way to British Columbia. 104 Hawthorn also noted the Capital Assistance to Individual Indians but discounts its importance because of its small size - a total of $61,804 in loans over a five-year period. 105 In addition, the Province of British Columbia contributed $100,000 per year in what became known as the B.C. Special. The Special was


Hawthorn, Indians of British Columbia, 207
Canada. Indian Affairs. Annual Reports, 1938-1942
Hawthorn. Indians of British Columbia, 200-201

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created in 1927 as an allocation in lieu of treaty payments and was controlled by Indian Affairs but was not designed as a lending source. Consequently, B C Special funds were used to fund community projects, primarily irrigation projects.

Access to all these capital sources was through the Indian Superintendent who was the local official responsible for enforcing Indian Affairs policies. Consequently, the personality of the Superintendent was the first major obstacle facing the potential aboriginal creditor. According to Hawthorn, some superintendents took little or no interest in applications for credit, some enthusiastically supported applications, while others seemed to actively discourage them. Furthermore, Superintendents could only approve loans up to $500. anything larger required a cumbersome bureaucratic procedure ending with final approval granted in Ottawa.

Throughout the 1940's and 1950's Indian Affairs continued to pursue a policy of encouraging agriculture. Very little Revolving Fund money and no money from other sources found its way onto the coast to support First Nations' interest in the fishery. Possibly, this was because fishers were thought to be already adequately serviced with credit by the canneries, but it was also because Indian Affairs still believed that farming was a necessary part of the 'civilising' process.

Tennant, Aboriginal Peoples and Politics, 111
Indian Affairs' nomenclature has undergone a number of changes over the years. Indian Agents became Indian Superintendents and then District Managers. In general, the province has always been divided into eight areas called variously Agencies, Superintendencies and Districts. In turn, these areas have been combined with the Yukon to form an administrative Region. While the nomenclature has changed, the areas and functions remained stable until the 1980's when Indian Affairs became more centralized while many of its local functions were devolved to First Nations organizations.

Hawthorn, Indians of British Columbia, 192-193
Ibid 206
Further, in order to protect this goal it was necessary to invest large amounts into irrigation projects. By the mid 1950's sixty per cent of the B.C. Special and half of the Revolving Fund were devoted to irrigation projects. In theory, First Nations' access to water was guaranteed by the passage of the Indian Water Claims Act of 1921. In fact, aboriginal access to water was under constant threat of expropriation. Thus, Hawthorn noted, "The main justification for the large expenditures on irrigation, at the expense of other services, is that they are necessary to protect the water rights of Indians in the Central and Southern Interior." Aboriginal access to water was seemingly governed by the principle of "use it or lose it."

Capital availability to First Nations during from the 1930's through to the end of the 1950's had two important ramifications. First, what access to capital existed was clearly inadequate and oversupervised both in its overall scale and in the small amounts available to individuals. The net effect was to confine capital investment to small projects (increasingly uneconomic in a time of capital concentration in the overall economy) and to enmesh aboriginal debt in bureaucratic procedures centred around the Indian Superintendent. Under such circumstances, economic viability became secondary to a network of personal power politics by which a small minority consolidated their economic power because, for whatever personal reasons, they were considered acceptable by Indian Superintendents. Secondly, the concentration of responsibility for capitalisation in...
the Indian Superintendent's office confused capitalisation with relief. It was not until 1958 that Indian Affairs established a separate division devoted to economic development that included "the fostering of business enterprise". The idea of First Nations being able to seek alternative capitalisation sources seems to have been either beyond imagination or considered far too difficult. For example, throughout Hawthorn's extensive 1958 study of First Nations' economic conditions, banks are only referenced three times and then solely as a place to deposit money. Thus, at a time when some Indian Affairs' policies attempted to encourage assimilation into the wider society, the exclusive control of capital availability enjoyed by Indian Affairs forced First Nations' to remain marginalized and dependent. The net effect was to amplify the role of Indian Affairs in the economic lives of aboriginal people. Unable to access capital from other sources, aboriginal entrepreneurs became the captive clients of the Indian Affairs' bureaucracy.

Indian Affairs' concentration on agriculture implied an apparent indifference to the importance of logging and the fishery to First Nations' economies. After World War Two both these industries went through significant changes as a consequence of technological advances and increasing capital demands. In the fishery:

Rapidly changing techniques and improved equipment required larger investments in boats, gear, and auxiliary equipment. In the 1950's, investment per person in the primary fishing operation in British Columbia doubled over that of the 1930's. Large-scale adoption occurred of innovations in underwater fish-finding apparatus (first echo sounders and, later, radar and

Canada, Indian Affairs. Annual Report, 1958. 46
depth-sounding gear), hydraulic gear (including power winches), navigational and communication aids, refrigeration units, and in
high-speed, all-weather, all-purpose transport. Unable to assemble the necessary capital to invest in such technologies, aboriginal fishers found themselves pushed to the margins of the industry. While there were, and are, notable exceptions, in general aboriginal fishing vessels rapidly became antiquated, although they hung on in sheltered waters where the less technologically sophisticated gillnet fleet could operate. Nevertheless, even by gillnet standards, the aboriginal fleet was "often old, technically inadequate, and in poor condition." Similarly, shore workers found their opportunities shrinking as faster and more efficient boats allowed fishers to transport their catches greater distances. Canneries outside Vancouver and Prince Rupert began to disappear. As old canneries were replaced by newer and more automated plants, the demand for aboriginal labour shrank.

The 1960 Sinclair Report threatened aboriginal fishers further by suggesting a rationalisation of the fleet that would result in reducing the size of the fleet by getting rid of older and uneconomic boats - precisely those boats that aboriginal people were likely to own or operate. Fortunately, it took another eight years before the Sinclair Report was operationalized in the Davis Plan. During the interval, the Native Brotherhood lobbied Ottawa. "Citing a drop of 33 per cent in the number of Indian fishers between the mid-1940's and the mid-1960's, the brotherhood recommended that Indian Affairs and the fisheries department..."
institute financial assistance directed at this group. The result was the implementation of the Indian Fishermen's Assistance Program (IFAP) designed to maintain an aboriginal presence in the fishery by re-capitalizing the fleet. The IFAP became necessary because of the lack of credit available to aboriginal people during the 1940's and 1950's. Capital that could have been lent at the appropriate time had to be made available in the form of grants and preferential loans at a later date, incidentally creating the enduring myth, often repeated amongst non-aboriginal fishers, that aboriginal fishers got their boats 'for free'. In less than a century, First Nations had gone from owning the fishery to being allowed to participate in it as a sort of 'workfare' project.

The failure of agriculture and the fishery to provide sufficient employment opportunities for the rapidly expanding aboriginal population led to the logging industry becoming an important source of income. Hawthorn noted:

The importance of the lumber industry will grow to the extent that Indians are displaced from other fields of employment such as fishing, canning, trapping, and, in some areas, farming. Their future status is highly uncertain, however, because of rapid technological and organisational changes that are taking place in the industry.

By the 1950's, the logging industry was second only to the fishery in generating aboriginal income. However, the income was almost exclusively in the form of wage labour, usually off reserve. Some reserves did have stands of

Ibid. 142

This assertion comes from the author's own experience living and working on Northern Vancouver Island during the late 1980's and early 1990's. In fairness to the fishers who believed this myth, none of them had much knowledge of the actual history of the aboriginal economic situation.

Hawthorn, Indians of British Columbia, 138

Ibid. 124
timber but they were too small to sustain First Nation-owned operations. If First Nations were to establish long-term interests in forestry, it was imperative they gain access to larger timber resources. In turn, they required access to capital in order to purchase cutting rights and equipment. However, Revolving Fund loans were capped at $10,000 and subject to cumbersome bureaucratic requirements. Even in the early 1950's, both the amount of capital available and the degree of legislative and policy flexibility was clearly inadequate. Hawthorn gives the following graphic example:

a number of Nass River bands (who face a serious problem of displacement from the fishing industry) presented a request for a loan of $16,000 to purchase a provincial government sale of timber rights. It was pointed out that the bands' own timber reserves were nearly exhausted, and their future in the fishing industry was uncertain. The superintendent for the Skeena River Agency felt that the cutting would offer employment for years to come. Perhaps because of the size of the initial loan required, or because the purpose for which it was to be used may have been construed as not fitting the specifications set forth in section 69, the loan was not made. Given that the Nations of the Nass River had historically been consistently assertive in claiming their traditional lands, it must have been doubly galling to be refused credit from the only source available to them in order to acquire the rights for cutting what, in their view, was their own timber.

But First Nations' enterprises in logging faced a larger threat than just lack of small amounts of capital. In addition to technological advances in logging and milling that required ever larger investments, the period from the 1930's and particularly during the war effort, saw major innovations in the use to which wood...
pulp could be put. The post-war period saw a major shift in the forestry industry away from timber production into pulp processing. In order to accommodate this new industry, the provincial Forest Act was amended in 1947 to create Forest Management Licences, the forerunners of the Tree Farm Licences.

The Forest Management Licences provided effective instruments for the opening up of the vast forest of B.C. to foreign investors and corporations interested in erecting pulp mills, and spurred great activity. In the earlier boom period from 1901 to 1907, private owners had taken out 15,000 timber leases to control the best timber stands in southern B.C. The 1950's were as busy, but with this difference in the earlier period the stakes were around 640 acres and a few thousand dollars; now they involved thousands of acres and millions of dollars.

Initially, British Columbia’s forests were divided into forty-one licences that were granted in perpetuity. Subsequent amendments changed this to granting licences for twenty-one years at a time and the number dropped to thirty-four licences. In addition, more than half of the other forms of timber leases were gradually absorbed into these larger licences. In effect, the forests of British Columbia became enlarging fiefdoms controlled by an ever shrinking group of corporations who had access to the capital to exploit them.

Forest Management Licences were designed specifically to guarantee access to huge tracts of forests that would, in turn, sustain the increasingly efficient, automated, and integrated mills that depended on them. In the process, large areas of the province were accessed that had hitherto been too isolated, remote, or rugged. Moreover, guaranteed timber supplies, better roads, and larger and more reliable trucks, changed the demographics of logging. The old

Taylor, Timber 162-3
Ibid. 166-7
'bunkhouse' composed of mostly single men shipped to a remote location for the specific purpose of working began to disappear. Increasingly, 'instant towns' and company villages, where married loggers could house their families and drive to work, sprang up all over the province. In the process, newcomers displaced First Nations from their traditional resource base in unoccupied Crown Lands placing even more pressure on the reserves. Generally speaking, the First Nations whose lands were now invaded did not benefit from the economic boom occurring in their local areas. In his 1966 text, Hawthorn commented on the problem of aboriginal unemployment in the midst of apparently copious opportunity.

The main difficulty of getting Indians placed in these middle levels of industrial employment, as noted earlier, seems to be in attitudes of exclusiveness or hostility towards them by White employers and residents. In the unprecedented industrial expansion that Canada has experienced since the War, many new industrial communities have developed in many parts of the country, from which Indians have been almost entirely excluded.

Forestry was an exclusively provincial responsibility while responsibility for First Nations was exclusively federal. Therefore, decisions made with respect to forestry tenure were made without reference to those most affected by them - namely the First Nations. In 1958, Hawthorn's comments on the role of the province in the lives of aboriginal people were restrained, restricting himself to gently encouraging the province to accept more responsibility for aboriginal people off-reserve. But by 1966, he clearly identifies provincial economic policies as actively hostile to First Nations.

there are strong moral or ethical grounds for asserting that provincial governments should contribute far larger amounts of money and trained personnel for coping with the problems of depressed Indian communities for provincial governments, in the final analysis, have jurisdiction over the use of resources and the allocation of jobs within their boundaries and control over the types of development that take place in using these resources. Quite properly, therefore, they should assume prior responsibility for the social and economic costs that are a direct by-product of such development, such as depletion or spoilage of resources on which Indians depend for their livelihood, technological changes that render various types of employment obsolescent, new resource development projects and influxes of population that cause social disorganisation in established communities, and so on. Hitherto provincial administration has tended to sanction various types of revenue, while dumping the problems they generate in the laps of other authorities, such as the Indian Affairs Branch and local or municipal governments.

The Failure of Assimilation and Industrialization:

By the 1960's it was clear that reserve-based economies had collapsed. The two studies commissioned by Indian Affairs and supervised by Harry Hawthorn reflect an increasing awareness that the position of First Nations was becoming intolerable in a supposedly civilised nation state. The reports remain the most comprehensive studies of the problem, and their conclusions reveal much about Indian Affairs' thinking and its overall position within government. Most notably, neither report expends any time on the land question, but rather each assumes economic and social assimilation as the only reasonable goal of government policy. By this frame of reference aboriginal employment was in a critical period. As in the decades between the wars aboriginal people were increasingly being forced out of

Ibid. 194
the overall economy and into a small range of low-paying and seasonal employment areas In 1958, Hawthorn observed:

Even more than they have in the past, therefore, Indians may constitute in many parts of British Columbia a sort of strategic labour reserve - a group that employers in the primary industries can draw upon to do the low-income casual or seasonal jobs that Whites avoid. 125

By 1966 Hawthorn had become convinced that the future economic success of aboriginal people lay away from their homes:

What is suggested is that, in so far as the economic development of Indians lies primarily in wage and salaried employment, and that for most Indians such employment lies beyond commuting distance of their reserves, a large and increasing part of an expanded Indian Affairs Branch budget should be used to support Indians who wish to leave their reserves. 126

Moreover, Hawthorn's observations about capital seem to be contradictory. On the one hand, "the limited role that capital has played in the economic development of Indians lies in their lack of business experience, know-how and motivation, and weakness in their position in competition with experienced and established non-Indian operators, rather than difficulties in their raising capital" 127 While at another point Hawthorn observed that Indian Affairs had only $7 per capita per annum for its Economic Development Program while noting that for the overall Canadian economy it was estimated that it took from $8,000 to as much as $50,000 to create one job 128

Hawthorn, Indians of British Columbia, 265
Hawthorn, A Survey, 168
Ibid. 79
Ibid. 164-5.
Since Hawthorn tends to undervalue both capital and resource availability as deterrants to First Nations' economic viability, he tends to return to the 'cultural barriers' argument.

Perhaps mainly influenced by their traditional hunting, fishing and food-gathering economies, [Indians] show a marked preference for outdoor rather than indoor jobs, for 'men's work' that has elements of excitement and risk and opportunities for exhibiting prowess in competition with others, and for a variable rather than even pace of work, with periods of peak physical effort followed by opportunities for rest and relaxation. Even when engaged in the same industries as Whites, Indians, whether by choice or compulsion, seem to avoid large cities or towns, and are employed mostly by small rather than large operators.  

But Hawthorn goes on to note that aboriginal motivations are remarkably similar to the "under-privileged White workers sub-culture," and that it is difficult to differentiate between the influence of the pre-industrial community cultures and the generic 'underprivileged subculture' 130. In his later Report, Hawthorn developed this theme further but adds the caveat that the "relationships between Indians and Whites appear to be one of the most important variables determining differential rates of economic development"331 of First Nations.

The Hawthorn Reports' inadequate analysis of the effect of land and resource alienation from First Nations control led to two important omissions in their considerations. First, the question of 'cultural barriers' is inadequately analysed. Hawthorn sees traditional 'pre-industrial' cultures as presenting barriers to aboriginal participation in the overall economy. Only in the second Report - and then only in passing - does Hawthorn note the possibility that the cultural barriers...
that most affected aboriginal economic participation were those held by non-aboriginal society. In British Columbia, as has been demonstrated above, there is little evidence to support the view that First Nations were reluctant to participate in new economic conditions as they presented themselves. Instead, the evidence overwhelmingly supports the notion that a significant proportion of aboriginal people were more than willing to try their hand at 'making it' in the non-aboriginal world, both as labourers and entrepreneurs, but were actively prevented from doing so.

Inevitably, this makes the issue of 'traditional culture' significantly more complex than it at first appears. By now it is apparent that for each First Nation, there were not one, but several, traditional cultures, each layered upon the foundation of its predecessor, wherein each precontact tradition was adapted to particular historic and geographic circumstances. There were the pre-contact cultures, the fur-trading cultures, the subsistence-wage cultures of the 1860's to early 1900's, the rapidly diminishing and economically besieged cultures of the 1910's, 1920's, and 1930's, the war-boom cultures, and the economically irrelevant (and increasingly welfare dependent) cultures of the post-war period. To which of these traditions are we to assign the genesis of 'cultural barriers'?

The second omission that Hawthorn makes is the failure to ask where the small proportion of well-educated aboriginal people went. In 1959, according to several graphic examples of aboriginal people being denied employment in non-traditional occupations purely on the basis of race during the late 1940's are given in Francis Wilfred Thompson, "The Employment Problems and Economic Status of the British Columbia Indians. A survey of the extent to which the native Indians have become assimilated into the labour force and economic life of the province" (M.A. Thesis, University of British Columbia, 1951). 40 - 41
Indian Affairs there were nine aboriginal people from British Columbia at the University of British Columbia. By Hawthorn's own reckoning they didn't go into business on reserve. Nor did the increasing number of high school and technical school graduates. Instead, the 1960's saw the beginning of a new generation of educated political activists who realised that their people had no economic future on reserve, not because they were somehow culturally maladapted but because they had no resources or capital with which to create a future. In short, the better education received by aboriginal people did not create aboriginal assimilation into the overall economy. Instead, it created a politically active civil sector who realised that their cultures' inability to make wealth was a direct consequence of their resource base being appropriated by non-aboriginal interests.

The growth industry that absorbed this cohort turned out to be not logging, or manufacturing, or even fishing. In fact, it wasn't business at all. Instead, the growth industry was First Nations' government as Indian Affairs began to decentralize its operations and devolve administration to the bands.

Decentralization began in 1964 with the Community Development Program. Meanwhile, in 1966 only twenty-eight bands in British Columbia administered their own revenue. In the following decade this number increased significantly, and with approximately two hundred bands throughout the province, local government was to become the major source of employment for aboriginal people. By 1969, this incipient aboriginal civil service was augmented by the creation of the first...
truly pan-Indian organisation in British Columbian history, the Union of British Columbia Indian Chiefs. Also in 1969, the first organisation of non-status and Metis in the province was formed, the British Columbia Non-status Indian Association. These organisations and others that were to follow were able to tap into an increasing supply of government money for their operations and to employ their own civil service. This development of First Nations' government and bureaucracy led to a renewed interest in land claims and treaties.

Thus, when the federal government outlined a full-blown assimilationist policy in the 1969 White Paper - it discovered that the First Nations' political and administrative elite were developing in an opposite direction. First Nations believed that total assimilation meant the final destruction of the small part of their traditional independence that was left. Opposition amongst First Nations was unanimous, and by the time the final judgement of the Calder case came down in 1973, the overt goal of assimilation was no longer a viable option. Henceforth, economic development for First Nations could no longer mean absorption into a dominant economic system controlled by others. Now, First Nations economic

Tennent. Aboriginal Peoples and Politics. 152-158
Tennent states that these two organisations combined had two hundred employees and budgets "well in excess of $2 million" ibid. 165
In Calder, the Nisga'a sought a declaration that aboriginal title had never been extinguished in their territories. The case was ultimately dismissed on a technicality, but it did result in splitting the court down the middle. Three judges felt that aboriginal title continues to exist, while three felt it did not. However, all agreed that aboriginal title had existed prior to contact. It is generally agreed that it was this case that convinced the federal government of the need for modern treaties in British Columbia. Kulchyski. Unjust Relations. 61-126

The author does not mean to say that the federal and provincial governments no longer pursue assimilationist policies. Indeed, the definition of assimilation (for example, versus integration) is a thorny problem. What is meant here is that assimilation could no longer be an official or overt policy goal. That assimilation may remain as a covert goal (for example, coded as "delegation") is entirely likely.
development meant access to lands and resources in the local area for the benefit of, and *controlled by*, First Nations themselves. First Nations were on the threshold of re-establishing themselves as a major economic force in British Columbia.
Chapter 3

The Reinvention of First Nations' Political Economy:

1970's to 1990's

The 1970's began an enormous amount of activity and change for First Nations in British Columbia. These changes took place at all levels of government as new policy initiatives were instituted in response to heightened political activities on the part of First Nations. However, there were also important shifts in relations both within and between First Nations. While significant developments occurred at the political level, there were also major shifts in the social, cultural, employment and economic spheres. This chapter will describe these major trends as they set the context for the economic development policies that emerged in the 1980's and created the foundation for the economic strategies of the 1990's.

Population and Employment Trends:

The trends that had marked aboriginal population growth in the 1950's continued to gain momentum throughout the following decades. In January of 1991, Indian Affairs figures estimated that the Registered Indian population in British Columbia virtually doubled between 1971 to 1991, and was expected to grow by approximately twenty-five percent (to 113,148) by the year 2011. Of this total, Indian Affairs projected that by 2011, forty per cent would be living off-reserve (Table 1, Appendix 2). Meanwhile, Census figures using the more
liberal definition of "people reporting aboriginal ancestry" showed that approximately half of that population were already living off reserve by 1971 (Table 4, Appendix 2) By 1991, Statistics Canada reported that, across the province, fully two-thirds of all persons reporting as North American Indians were living off-reserve (Table 3, Appendix 2)

The movement off-reserve indicates increasing urbanisation of the aboriginal population. Statistics for British Columbian Regional Districts in 1971 seem to confirm this inference (Table 4, Appendix 2) For Greater Vancouver 81% of the reporting population lived off-reserve and, at 5,575, they are also the highest concentration of aboriginal population anywhere in the province. In the Fraser-Fort George Regional District the percentage is even more dramatic with 96% of the aboriginal population living off-reserve - presumably concentrated in Prince George itself. For Victoria, the numbers are less dramatic but confirm the overall trend. Confirmation of the growth in urban residency indicated in 1971 came in 1981 when Statistics Canada showed that 43% of all aboriginal people were living in urban environments (Table 5, Appendix 2) Moreover, of those living in urban settings, by far the majority were living in Vancouver, the next largest segment living in towns with populations between ten and thirty thousand (such as Campbell River, Prince Rupert, Nanaimo, Kamloops), with a further block in towns in the thirty to one hundred thousand range - probably Victoria and Prince George. Also of interest is a slight bias in the figures with respect to gender
The more urbanised the environment, the more likely it is that females outnumber males.

Employment trends show a doubling of employed aboriginal people between 1971 to 1981 but a slowing of growth to 1991. While the 1991 Aboriginal Peoples Survey showed employment participation at 61.8%, in fact because of the large number of aboriginal people classed as unemployable, only 44% of the population over the age of fifteen years had worked during the previous year.¹³ (Table 7, Appendix 2) This is roughly the same as for 1971 but lower than 1981 (Table 6, Appendix 2). In all, the largest growth in aboriginal employment appears to have been during the decade of the 1970’s. Moreover, inspection of the occupation figures available from 1971 and 1981 shows a definite trend away from resource industries and into bureaucratic occupations (Table 9, Appendix 2). By far the greatest gains were in administrative, social science, teaching, and clerical occupations. In contrast, farming, fishing, and logging lost considerable ground. Gains in construction and general labouring may be explained by increased construction of on-reserve infrastructure requiring local labour. Of occupations not largely dependent on government expenditure, the largest growth appears to have been amongst aboriginal artists and artisans and in sales.

In short, the indications are that only the massive growth in aboriginal local government averted a complete collapse of the aboriginal economy during the 1970’s. At the time, the aboriginal population continued to increase exponentially.

Unfortunately, this survey did not break down employment by sectors as the 1971 and 1981 census had done. In addition, the 1991 Census of Canada did not publish employment characteristics by ethnic group as it had done in previous years.
but their traditional resource occupations failed to supply the necessary employment opportunities. Logging and wood processing, the industries that Hawthorn's 1958 Report suggested aboriginal people could take advantage of, failed to live up to expectations. While forestry remained an important source of employment, its significance as a proportion of overall aboriginal employment was in decline. Moreover, such traditional occupations as farming, fishing, hunting and trapping were clearly stagnating - probably propped up by government subsidies such as the Aboriginal Fishing Strategy.

The growth of an aboriginal bureaucracy has had two important ramifications. First, bureaucratic employment tends to be year-round rather than seasonal. Second, bureaucratic employment tends to place income squarely within middle-class parameters. Aboriginal bureaucrats tend to make gross wages similar to their non-aboriginal counterparts, while their actual net income is somewhat higher due to tax advantages permitted under the Indian Act. In communities where unemployment is rampant, this tends to cause a division between the employed and the unemployed that is exacerbated by the relatively high income gaps that develop. Moreover, competition for the few income opportunities that

This is not necessarily the case for all Band employees of course. Such employment categories as homemakers, child care workers, and other classifications where little formal education is required can, and do, make considerably less than their off-reserve colleagues. For example, when the author worked for the Squamish Nation in 1995, Child Care Workers employed by the Nation made little more than minimum wage, while the industry standard was in excess of $12 per hour. Thus, even though there are some tax and benefit advantages for employees who were registered Indians, these were not sufficient to make up for the income differential with their off-reserve colleagues.

The problem was recognized as early as 1975, principally by Bill Wilson, and that year became a major issue at the Assembly of the Union of British Columbia Indian Chiefs. Tennant, Aboriginal Peoples and Politics, 176-179.
do exist can lead to internal conflicts where suspicion of nepotism and favouritism can become rampant - and in some cases is justified. For those First Nations whose traditions place a high value on material display as a means of gaining or confirming status (for example, those that potlatch), the intersection of material wealth and political power are a natural extension of cultural rebirth.

*First Nations' Land Claim Strategies:*

The increasing importance of the aboriginal bureaucracy stimulated two major rhetorical themes within First Nations: First, the phenomenal growth of helping agencies targeted at, and operated by, aboriginal people led to a general acknowledgement of the enormous and deep-seated social problems endemic to aboriginal life. Sexual abuse, alcoholism, drug addiction and family violence are but a few of the topics that have come under increasing scrutiny since the 1970's. First Nations have had first to expose and then to attempt to correct these destructive forces. Thus, aboriginal people working in the social policy area introduced the theme of healing to First Nations' advocacy. This theme of healing suggests that before First Nations can take a strong and equal position in the larger society they must first heal their personal wounds. According to this position, access to material benefit is not a singularly sufficient means by which to improve

However, rebirth does not necessarily imply replication. Traditional status can be displaced by new forms of status where political and economic power is based on educational and employment attainment rather than traditional status associated with names, longhouse knowledge, secret society membership, etc. For example, the problem of conflicting status attainment on Capilano Reserve during the 1960's is addressed at length in Joan Ryan. "Squamish Socialization" (PhD Diss., University of British Columbia, 1973), 72 - 101.
First Nations communities. First Nations’ prosperity is as much a spiritual issue as it is an economic problem.

The second theme to come out of aboriginal bureaucracies was the need for self-government. This theme emphasises the damaging results of dislocating First Nations from their traditions, lands and resources. It argues that in order to heal, First Nations must first return to their traditional and sovereign position anchored in a strong sense of place - specifically, in their traditional lands. These two themes, healing and self-government, have become powerfully intertwined such that it is often difficult to tell where one leaves off and the other begins. But they also point to a further complication of aboriginal leadership. Aboriginal bureaucrats and government representatives are often undergoing their own personal healing. Hence, the distinction between their personal experience and their cultural and political strategies can become blurred and lead to assertions and behaviour that surprise those unfamiliar with First Nations’ history. Those non-aboriginal people used to functioning in a social system that draws a sharp distinction between the public and the private can sometimes find the lack of such a distinction in aboriginal circles disconcerting. In this sense, aboriginal people rarely have purely rational conversations about either their own, or their people’s experience of the non-aboriginal world because such conversations are always laden with highly charged emotional content.

The formulation of this argument owes much to the numerous conversations the author has had with various aboriginal social planners. In particular, the author would like to acknowledge Pearl Hunt of the We-he-la-la-U Tribal Council, Gloria Wilson, Chief Phillip Joe, and Linda George of the Squamish Nation, Gerri Collins of Kamloops reserve, Chief Paddock Walkus and Willie Walkus of the Gwa’wala Nakwaxda’xw, Peter Alexsee, and Paulette Seymour of the Canadian Council of Aboriginal Business.
First Nations are attempting to construct pragmatic strategies reflecting these two themes at a time when their nascent bureaucracies have enormous internal and external stresses. It was during the decade of the 1970's that these themes were articulated, and to the extent that they were resolved, it was the prospect of treaty negotiations and the possibility of major constitutional changes that provided the necessary incentive to deal with them.

During the 1970's the Union of British Columbia Indian Chiefs (UBCIC) was the only extant forum in which the issues of healing and self-government could be debated by First Nations on a provincial scale. The argument culminated in an internal debate about the acceptance of government funding. At the time, it was convenient for the federal government to centralise the provincial aboriginal voice into one organisation for Status Indians and one for non-Status Indians, and this strategy was supported through funding initiatives. However, concerns within the aboriginal community that such organisations were creating a co-opted and privileged elite that was ignoring the 'grassroots' led to the decision by the UBCIC to reject all government funding in 1975. Inevitably, without budgets for employees, offices, travel, and other expenses, the UBCIC experienced difficulty in continuing an effective organisation as its staff and membership severely declined. Government funding was eventually restored but the organisation never reclaimed sufficient support to enable it to speak on behalf of aboriginal people throughout the province. In its place, First Nations turned to emphasising local control and local organisation through tribal councils. This rapid shift in organisational centres...
of gravity moved land claims agitation away from a conception of one provincial settlement, as had been proposed by the UBCIC,\textsuperscript{143} to settlements based on the tribal level. Such settlements would reflect the particular historical, cultural, economic and political characteristics of each unique tribal society. In essence, First Nations rejected the federal model of one provincial pan-Indian organisation and returned to the old tribal confederacy model proposed at Lytton a century before.

The conjunction of community health, land claims agitation, and concerns about the cooption of aboriginal leadership resulted in an approach to the land question that recognised the need for integrated social and economic goals. While the land question remained an overarching concern, First Nations realised that to pursue the issue effectively, coherent communities, sophisticated leadership and an economic infrastructure were required.

Yet, even land claims preparation was regarded by most tribal leaders as intimately dependent upon the health and vitality of the local communities. Most tribal group leaders deliberately chose to wait [to pursue formal land claims] until their peoples attained renewed unity and their communities were more self-sufficient, and for this reason the leaders devoted much effort to social and economic development.\textsuperscript{144} However, there had been no significant change in Indian Affairs economic strategy since the introduction of the Economic Development Department in 1959.

Therefore, throughout the 1970's and until the establishment of the Native Economic Development Program (NEDP) in 1983, administered by the federal Ministry of Industry, Science and Technology,\textsuperscript{145} very little had changed with

\textsuperscript{143}Union of British Columbia Indian Chiefs, \textit{Claim Based on Native Title} (Vancouver: UBCIC, 1971)

\textsuperscript{144}Tennant, Aboriginal Peoples and Politics, 182-3

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respect to the means of obtaining capital or expertise. In the absence of other alternatives, First Nations economic aspirations were increasingly linked to land and resource settlements.

From 1983 forward, First Nations protests were increasingly targeted on the province’s economic interests. The most frequently used tactic was the blockade. First Nations attempted to focus attention on the province’s intransigence with respect to land claims negotiations by blockading access to traditional lands by private economic interests. At the same time, blockades reflected an overall strategy of protecting First Nation’s economic interests in lands that had become subject to claim following a shift in federal policy in the wake of the 1973 Calder decision.

British Columbia’s Response to Land Claims:

The provincial government recognised the economic implications of treaty settlement and attempted to stall the process by refusing to participate in the federal policy initiatives. Garde Gardom, a prominent member of the Social Credit government responsible for native issues, put it this way in 1986: “[Aboriginal laws] could regulate the use of natural resources within what Indians describe as their ‘traditional territories’. They could, in effect, govern B.C.’s vast fishing, mining, forest, and wilderness-based tourism industries, as well as range lands and


Tennant. Aboriginal Peoples and Politics. 207
salt and fresh water resources." Meanwhile, the fear Gardom was articulating had been specifically ruled irrelevant in 1985 by the British Columbia Court of Appeal. In its judgement on the *Meares Island* injunction, the court ruled that provincially sanctioned logging activity by corporate interests could not proceed until the land question had been addressed. Moreover, Justice Seaton, in his majority opinion stated: "It has been suggested that a decision favourable to the Indians will cast doubt on the tenure that is the basis for the huge investment that has been and is being made. I am not influenced by that argument." Seaton's judgement dropped a broad hint that the land question should be resolved in the political arena rather than through litigation. "I think it fair to say that, in the end, the public anticipates that the claims will be resolved by negotiations and by settlement." Sure enough, in the absence of provincial recognition of aboriginal title, First Nations won more injunctions that halted industrial activity throughout the province.

The *Meares Island* injunction was to become the most important judgement on aboriginal issues in contemporary British Columbia because it directly affected corporate tenure. Hitherto, First Nations issues in the province had been a bipartite debate between First Nations and the federal government, neither of whom controlled the land and resources in question. With *Meares Island* and the other injunctions that followed in its wake, there could be no certainty that provincially granted land and resource tenure would not be revoked by First

Nations' court actions. The *Meares Island* decision represented a direct threat to corporate interests and so affected their investment policies. In turn, provincial revenues were tied to corporate investment strategies. By the end of the 1980's, it was becoming clear that the province's denial of aboriginal title was no longer a viable position. There was growing pressure from the courts and corporate sector for the provincial government to resolve the issue in the political arena.

By 1989, the Council of Forest Industries of British Columbia concluded that provincial participation in a land claims process was inevitable. Tom Waterland, (a former Social Credit cabinet minister) representing the Mining Association of British Columbia, said that his industry did not fear working in an environment where title was held exclusively by First Nations or in some form of joint tenure with other governments. In Waterland's view, what was essential was a "meeting of the minds," and he warned that bureaucrats and "the legal people" would complicate what, in his view, could be achieved by identifying and acting upon common interests. Fundamentally, provincial involvement in the treaty process, like the original settlement of British Columbia, was not fuelled by a moral imperative but by commercial considerations.

The first "meeting of minds" occurred at Whistler in 1989. Here, representatives of the non-aboriginal private sector and First Nations' representatives began the process of familiarizing themselves with each other's


Tom Waterland. in *Reaching Just Settlements*, 17-21
political and economic positions. Despite the provincial government's continuing refusal to participate in them, further conferences occurred in 1990 at Penticton, Victoria and Vancouver. The latter conference was sponsored by the newly formed Native Investment and Trade Association (NITA) and specifically identified aboriginal claims with economic self-reliance. These conferences (and the many more that followed) came to be the means by which First Nations, labour, and the business community could argue out the pragmatic consequences of treaty settlement. They are also significant because they demonstrate that several years before the provincial government formally agreed to treaty negotiations, the business community had already accepted that settlements were necessary. Thus, the provincial government found itself a 'Johnny-come-lately' when, in 1990, it agreed to the principle of treaty negotiations with First Nations and formed a Task Force to explore the means by which such negotiations might proceed. When the province accepted the Task Force Report the following year, the negotiation process began.

**Federal Aboriginal Enterprise Initiatives:**

After the collapse of the assimilationist ethic outlined by the federal government's 1969 White Paper, Indian Affairs began to adopt a policy of economic development designed specifically for First Nations. The first tentative
A significant step occurred in 1970 when the Indian Affairs budget for economic development was significantly increased. In that year the Indian Economic Development Fund (IEDF) was created as a direct ‘loan of last resort’ revolving fund with initial assets of $70 million. Over the following eighteen years some 6,600 direct loans valued at $120 million were made. However, the IEDF was essentially the same as the old Revolving Fund created in the 1930's since it was still controlled by Indian Affairs. In addition, 1970 saw the birth of a loan guarantee program with assets of some $30 million. The philosophy of guaranteed loans rapidly became Indian Affairs' preferred mechanism for financing aboriginal business. The program had the advantage of potentially reducing administrative costs and risk while, most importantly, it brought commercial lenders and aboriginal people together. From these small beginnings, Indian Affairs began to adopt policies that emphasised the need for private sector involvement in aboriginal economic development.

By 1985 it was clear that Indian Affairs could not create an aboriginal business sector by itself. Accordingly, in May of that year the deputy minister of Indian Affairs created the Task Force on Indian Economic Development. The Task Force's terms of reference were nothing short of a global examination of aboriginal economic issues and represented the largest investment of intellectual work on the problem since the 1966 Hawthorn Report twenty years earlier. Both the Task Force and Hawthorn shared the requirement to examine Indian Affairs functioning.

"Although in 1970, a number of loans were not viable, performance over the past five years has been considerably improved - the cash flow has been favourable for at least the past ten years - that is, principal and interest payments have equalled or exceeded the outflow of cash for new loans." Canada. The Canadian Aboriginal Economic Development Strategy. 1989. 26
but there were three significant additions to the Task Force's terms of reference. These were to examine the tax regime as it affected aboriginal people, the involvement of other federal ministries was to be sought, and consideration of aboriginal leader's opinions was specifically requested. In short, the Task Force was asked to find ways for Indian Affairs to break out of its traditional bureaucratic isolation and to seek input and help from other sources. Finally, although the Task Force was composed exclusively of Indian Affairs officials, its work was to be formally reviewed by a Task Force Review Group composed of aboriginal leaders.

The Task Force's findings were predictable. Aboriginal enterprises were found to be dramatically fewer, smaller, and younger than comparable national averages. With respect to employment participation, aboriginal people were significantly below their fellow Canadian citizens. But most disturbing was the realisation that the majority of those aboriginal people who worked were employed by government, on-reserve 63%, and off-reserve 58%. By comparison, the Canadian national average for public sector employees was 25%. More specifically,

Status Indians gained some 7,000 jobs between 1978 and 1983, but only 2,000 of these were in the private sector. Small
business currently accounts for 80 per cent of new jobs in the non-Indian economy but only for 20 percent in the Indian economy.

First Nations economies had become almost entirely dependent on government work and the trend was worsening. These observations led the Task Force to make an important break with the traditional thinking that had guided previous attempts to encourage aboriginal employment. Since the non-aboriginal private sector had failed to employ aboriginal people, the Task Force concluded that the only solution was to create an aboriginal business sector. In short, aboriginal labour needed to be transformed from a reserve labour force existing for the convenience of the non-aboriginal private sector into a labour force permanently employed by an aboriginally owned and operated private sector. The goal was a lofty one, and the following decade was to demonstrate just how difficult the task was.

The shift in government policy could only have occurred because of what the Task Force's Report (and the subsequent reviews and publications that flowed from it) does not contain. Specifically, in its review of the barriers to aboriginal enterprise the Task Force focuses on pragmatic economic, geographic, and educational barriers. Nowhere is there any mention of the 'cultural barriers' that had dominated analysis up to the 1980's. Henceforth, 'cultural barriers' would have no place in government rhetoric about the economic problems facing First Nations. Implicit in this change of focus is the tacit acceptance that aboriginal poverty was a condition created by the non-aboriginal settlement of Canada - not a consequence...
of alleged cultural impediments. It is difficult to overemphasise the importance of this shift in the perception of aboriginal ability. Indeed, the shift is so radical it is pertinent to ask how it was possible.

As described above, Indian Affairs' decentralization policies and the increasing level of aboriginal educational attainment had important consequences for the land claims process in British Columbia. However, on the national stage the constitutional debates of the early 1980's brought First Nations' organisations (primarily the Assembly of First Nations) to the constitutional table as important, if not equal, players. It became inconceivable that agents of the federal government could negate the potential for aboriginal enterprise by citing cultural barriers while their political masters were in the process of setting aside old prejudices and recognising First Nations as a major force in the constitutional dance. If the First Nations could produce competent politicians, then it followed that they must be able to produce competent business people. Moreover, insofar as First Nations were able to inject into the constitutional debate the concept of First Nations' sovereignty, it became widely accepted - by all parties - that such a concept could find meaning only insofar as there were economic structures to support it. The realisation that sovereignty might have elements that are attractive to governments experiencing pressure to reduce expenditures explains why the concept was not rejected out of hand. Thus, the shift in Indian Affairs thinking on economic

For the Assembly's story of its involvement in Meech Lake and the Charlottetown Accord see Gil Cardinal. Our Home and Native Land. Videocassette of the broadcast by CKVU Television May 12, 1996.

The meaning of 'aboriginal sovereignty' remains ambiguous to this day and the author will not try to define it here. Suffice to say, virtually all discussions of the issue assume some form of relatively independent First Nations' governments - governments whose independence
matters took place in a context of a radical realignment of the political relationship between First Nations and government. In effect, the turmoil of the 1980’s created the proposition that there could be, and should be, a distinctively aboriginal political economy.

Since cultural barriers were no longer an acceptable explanation for aboriginal poverty, the Indian Affairs Task Force concentrated on systemic barriers. With respect to developing an aboriginal private sector, these were identified as business financing, obtaining bonded status, taxation uncertainty, and lack of business training. In order to remove these barriers, the Task Force recommended that Indian Affairs get out of the financing business by turning over its authority to Aboriginal Capital Corporations (ACC’s)\textsuperscript{160} or government agencies such as the Federal Business Development Bank (FBDB), and the Department of Regional Industrial Expansion (DRIE) - soon to become Industry, Science and Technology Canada (ISTC)\textsuperscript{161}. This would leave Indian Affairs free to lobby government for a preferential contracting policy (which would help alleviate the bonding problem), rationalisation of Revenue Canada’s taxation policies, and to

will probably be determined by the degree to which it is paid for by First Nations themselves. For a more extensive discussion see Augie Fleras and Jean Leonard Elliott, The Nations Within: Aboriginal-State Relations in Canada, the United States, and New Zealand (Toronto: Oxford University Press, 1992), 220-31.

ACC’s are aboriginally owned sources of commercial credit for aboriginal entrepreneurs. Many are set up as Trust Companies or Development Corporations. Since the early 1990’s a common theme amongst aboriginal business developers has been the conviction that eventually there will be an aboriginally owned charter bank.

In fact, DRIE had entered into the aboriginal economic development business as early as 1983 when it received $145 million over four years for the Native Economic Development Program. The program was subsequently renewed through to 1991 but was never considered a permanent program.
assist the Canadian Employment and Immigration Commission (CEIC) to identify appropriate training and placement of aboriginal labour.

The result of this policy shift was the Canadian Aboriginal Economic Development Strategy (CAEDS) introduced and implemented in 1989. CAEDS was a global government strategy that represented the formal end to the monopoly Indian Affairs had enjoyed (or been forced to endure) over all economic matters pertaining to aboriginal people since its inception more than a hundred years before. Indian Affairs was now described as the 'Mortar Between The Bricks', its new role defined as providing a co-ordinating function and its employees classified as 'Account Executives'. Under CAEDS, CEIC became the lead agency responsible for training and education issues. Responsibility for the encouragement of aboriginal business was assigned to ISTC, and after several changes in ministerial and program acronyms, the program is presently known as Aboriginal Business Canada (ABC) and administered by Industry Canada (IC).

Access to Capital:

In the absence of major changes to the Indian Act, capital availability remained a serious problem. Moreover, the new strategies emphasized the need for aboriginal control of investment opportunities. CAEDS called for a two-pronged approach to accomplishing this goal. First, for those loans made directly by ABC, a system of national and regional Boards has been appointed (composed of aboriginal people) with authority to recommend loans. Secondly, and more
importantly over the long term, CAEDS has set about capitalising Aboriginal Capital Corporations. By 1989 twenty-six ACC's had been approved and many of them began purchasing outstanding loan portfolios from government. In doing so, aboriginal borrowers ceased to be in debt to the government but were now indebted to other aboriginal enterprises. (By 1994, there were at least seven ACC's operating in British Columbia.)\textsuperscript{162} Initially ACC's were relatively small since the average government contribution to their capital base was $4 million\textsuperscript{161} but in recent years this has been augmented by the trend of aboriginal governments investing their own funds in them\textsuperscript{164}

In addition to ABC and the various ACC's, a specifically aboriginal Community Futures program has been formed in the Central Interior Community Futures was designed as an ethnically blind program funded by CEIC and designed to stimulate local economic planning and growth. The Central Interior First Nations Community Futures (CIFNCF) is unique since it services only First Nations located in the Thompson, Nicola, Fraser Canyon, and Lillooet areas. The program was first proposed (and initially rejected) in 1986, approved in 1988, and eventually made its first loan in 1993. CIFNCF conducted extensive research within the communities it serves to determine its client group and target services to

Aboriginal Science and Technology Enterprise Program. Data Base of Aboriginal Businesses in British Columbia. compiled at Simon Fraser University by Gerald Craddock, Gloria Drynoch, Robert deWit and Morley Lipsett. 1994

Canada. Canadian Aboriginal Economic Development Strategy. 20

For example the First Phoenix Fund described in the Vancouver Sun by Chris Wattie as "Canada's first and only native-owned mutual fund company" is said to manage "more than $2 billion in assets from native communities across the country."

meet client's needs. The CIFNCF is planned as a one-stop business program, providing support and advice to existing and potential entrepreneurs, regional economic planning, and a source of small amounts of capital with an emphasis on 'lending circles' composed of micro-entrepreneurs. As an exemplar of how First Nations might gain control over capital sources, CIFNCF demonstrates how time consuming the process can be. Nevertheless, CIFNCF also shows that a local organisation can be far more aware, and responsive to, the particular nuances of local economic and labour conditions as they affect the small business sector.

**Taxation Issues, Collectivism and Aboriginal Enterprise:**

In theory, the Indian Act has protected Indian Reserves as tax havens. Neither individual Registered Indians nor Indian Bands could be taxed on income. However, the tax advantages enjoyed by First Nations have always been largely illusory. This is because economic activity on reserve has been rare, therefore, with the exception of government functions, the vast majority of aboriginal income has been earned off-reserve and so becomes taxable.


It should be noted that CIFNCF also benefits from a small Geographic Information Survey (GIS) company owned by a consortium of local Bands and located on Kamloops Reserve. This company has completed extensive research on local aboriginal businesses and market conditions. The data from this research forms much of the basis for C. Andre LeDressay. "Some Economic Impacts of Settling Treaties with First Nations in British Columbia." (Phd. diss., Simon Fraser University, 1996)

The interpretation of Indian tax benefits by Revenue Canada has always been unstable. Though there are exceptions, in general, tax protection for Indians means they must both live and work on reserve. In the case of sales taxes, goods must be received on reserve.
The first in-depth study of the effects of taxation on British Columbia's aboriginal people was completed by D.B. Fields and W.T. Stanbury for Indian Affairs in 1970. The study found that, with rare exceptions, aboriginal wage earning was so low that it fell below the income tax threshold. Low income, combined with the high personal deductions associated with large families, meant that aboriginal earnings had to increase by 100% just to get to the point where they would start paying income tax. Moreover, any income tax generated from First Nations would be dependent upon an increase in wage earning because the study calculated that 91.4% of aboriginal assessed income came solely from wage labour. In short, aboriginal people did not pay income tax because they were poor - not because of any special advantage gained under the Indian Act.

While income tax provisions were not the main incentive for the expanding First Nations' bureaucracies since the 1970's, it should be appreciated that government work was, in the main, the only form of wage earning that retained tax advantages. In the absence of an on-reserve private sector, tax protection amounted to an illusion. Moreover, if an aboriginal person wished to retain the possibility of tax advantage, then he or she would resist leaving the reserve and 'assimilating' because this step would be essentially punitive. It is possible that this situation may have contributed to the growth of the aboriginal bureaucracy. Very little attention has been paid to this feature of the employment choices of the educated elite. Tennant has remarked that aboriginal political leaders could have

worked anywhere and implies that their choices were guided by dedication to the political cause. But it is also the case that if they had chosen to work in the off-reserve private sector or in the federal government, their tax advantage would have evaporated.

While individual aboriginal people could not contribute to the tax base, such was not the case for their land. In 1967 there were some 1,755 leases held by non-aboriginal people on Reserve land in British Columbia. By far the most were held in the Vancouver and Cowichan districts and the primarily agricultural lands of the central interior. These lands were considered 'surrendered' lands and, at least in the view of the province and municipalities, were no longer legally a part of their Reserves. In the absence of authoritative Band governments to challenge this assumption, surrendered lands ended up generating more tax revenue for local governments than they did in rents for First Nations. Moreover, at the time, First Nations did not negotiate their own leases. Agreements were concluded on their behalf by Indian Affairs. When Fields and Stanbury commissioned D.P. Squarey and Associates to undertake a detailed study of existing and potential lease opportunities on seven reserves, it was found that existing leases were consistently below market value and had unfavourable renegotiation arrangements. Indeed,

It is impossible to calculate what contribution aboriginal people have made by way of sales taxes. One can infer that since aboriginal people had very little money they didn’t buy much thereby underlining the regressive nature of the tax. Moreover, in order to be exempt from sales taxes, goods must be delivered on a reserve. Since we have already indicated that there has been a substantial movement off-reserve, this protection becomes largely moot in proportion to off-reserve settlement.

Fields and Stanbury, *The Economic Impact*, 214 (See footnote 11 for a detailed description of the inequities faced by the Musqueam Band.)

*ibid.* 229-50
so bad were the arrangements on the Musqueam Reserve that the Band
successfully sued Indian Affairs in the Guenin decision.

The issue of personal tax exemption and the taxation of leaseholds has
come to dominate the means by which First Nations organise their business
ventures. On the revenue side, First Nations can pass municipal-style by-laws that
provide for taxation of surrendered lands because they are now explicitly defined
as reserve lands. This redefinition was the result of the St. Mary's Indian Band's
British Columbia Supreme Court action of 1994 against the City of Cranbrook.
This action established that land used for the Cranbrook airport was still reserve
land even though it had been leased to the city.\footnote{172} A second option is to come to
revenue-sharing agreements with local municipal authorities as has been done
between the Squamish Nation and West Vancouver.\footnote{173} Finally, as in the case of the
Sechelt, an Act of Parliament could create a municipal body from a reserve

Meanwhile, on the tax exemption side, a veritable industry of economic
advisors and lawyers has worked on creative solutions to the problem. Indian
Bands themselves are not taxable, but because their property is protected from
seizure, they are unattractive as business partners and poor risks for loans. On the
other hand, if Bands create corporate bodies to deal with the latter problem, they
lose their tax advantage because corporations are not "Indian" persons. Moreover,
Revenue Canada has become more stringent in its interpretation of those
Registered Indians who are eligible for income tax exemption. Former attempts to

Larry Still, "Indians allowed to tax former land" \textit{Vancouver Sun}, May 26 1994 sec A.
p 1
Lillian Rivers, Squamish Band Manager, personal communication. August 1993
protect aboriginal income by establishing addresses of convenience on reserve for aboriginal enterprises have been effectively halted by Revenue Canada's 1994 guidelines. Broadly speaking, these new income tax guidelines state that in order for income to be tax free it must be earned on reserve from an employer also located on reserve. Neither Indian Status nor residence on reserve are sufficient by themselves to entitle a person to tax exempt status. These new Revenue Canada guidelines prompted Gerri Collins, CIFNCF co-ordinator, to observe that aboriginal economic "breaks" seem to exist only so long as aboriginal people are unable to take advantage of them.

The consequences of the tax regime (and property seizure protection under the Indian Act) for First Nations enterprises is demonstrated in the corporate connections that have developed. In order to function in the business world many First Nations have set up corporate arms. In 1994 there were more than thirty-five First Nation Development Corporations in British Columbia. Many of these corporations are actually owned by non-profit, and therefore non-taxable, societies designed to provide revenue for the benefit of all members of the First Nation they represent. However, it is important to realise that the tax benefits of such an arrangement accrue because of the non-profit nature of the society - not because of anything to do with Indian status. In turn, these ownership arrangements speak to certain assumptions about the purpose of such corporations. Roughly speaking,

Gerri Collins. personal communication. August 1994
Aboriginal Science and Technology Enterprise Program. Data Base

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development corporations operated for the benefit of Band or Tribal membership perform three functions.

First, development corporations present a business face to the non-aboriginal world. That is, development corporations can entertain proposals from outside the proprietary Nation and provide the necessary business relationships associated with furthering First Nations' economic and political aspirations. Secondly, development corporations can be used as a regulator of non-aboriginal business activity on either reserve or traditional lands by virtue of the contractual conditions of those relationships (i.e. joint ventures). Finally, development corporations operated by non-profit societies require a collective approach to business organisation. Such arrangements de-emphasise the individual profit motive and replace it with a goal of promoting collective well-being.

The latter function requires further comment because it is often assumed that a collective approach to wealth is fundamental to First Nations cultures. In fact, examination of the economic history of First Nations does not support this assumption - one should not confuse personal generosity and responsibility toward the extended family with collectivism. This observation is not meant to belittle attempts to create collective economic activity but rather to caution those who would see current First Nations' strategies as the logical extension of collective cultural traditions - traditions that are, in any case, widely variable from one First Nation to the next. Simply put, the present design of First Nations development corporations owes as much, if not more, to the Canadian tax regime, the lack of
capital that created the need for development, and the contemporary aboriginal political situation than it does to traditional cultural values.

Moreover, First Nations differ in their interpretation of the appropriate collective unit. That is, in some instances, the unit may be a Tribal Council, although band membership in various Tribal Councils can be fluid depending upon particular circumstances, and periodic disagreements may, occasionally, have their roots in ancient rivalries. Elsewhere, single bands have opted to pursue their material and political goals as single entities. In the Northwest, where clan-based hereditary Houses still exert considerable influence, the appropriate collective may be defined as crossing band memberships within a larger linguistic or cultural group. Wayne Suttles points out with respect to the Coastal Salish, and this may be equally true for all First Nations in British Columbia, traditional notions of collectivity are kinship based - not nationally based. As one Squamish Band Councillor put it recently, the Squamish are in the process of changing from a tribal society, whose political structures are based on blood and marriage relationships, to a national society whose political structures tend to approximate the Euro-Canadian nation state. Such a change appears to be required by contemporary political and economic events, but of significance here is the redefinition of the collective from a kinship base to a national base. First Nations' positions with respect to resolving this problem of collectivity membership versus...

Wayne Suttles. "The Persistence of Inter-Village Ties Amongst the Coast Salish" Coast Salish Essays, compiled and edited with the assistance of Ralph Maud (Vancouver: Talonbooks, 1987).

Frank Rivers. at a meeting of the Squamish Band Social Development Portfolio. July 1996.

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national citizenship are not necessarily uniform. Some groups, such as the Nuu chah nulth, have an historic legacy of confederacies to call upon while others have always been largely autonomous.

Furthermore, for individual entrepreneurs there is no tax advantage to locating on reserve unless their businesses are single proprietorships and their work is conducted on reserve. (For example, a Registered Indian plumber's earnings are tax free only where the plumbing is located on reserve. If the plumber works on plumbing off reserve he must pay tax on his earnings.) Registered companies may derive some savings from employing aboriginal labour (since this would be tax exempt) but this advantage is not specific to aboriginally owned companies since any company located on reserve would share the same benefit.

There is no reliable information available as to the number and size of aboriginally owned enterprises on- or off-reserve. However, given that more than half of British Columbia's aboriginal people live off reserve, and given that most reserves have very small markets to draw upon, it is reasonable to infer that where aboriginal enterprise independent of First Nations government exists (as it surely does) it is located off-reserve and of sufficient size that incorporation has become necessary. The latter point arises because there is no tax benefit sufficient to counter the limitations of the local market.

Aboriginal Science and Technology Enterprise Program research during the summer and fall of 1994 established that neither the provincial or federal governments have any organised data. ABIS, a privately (and aboriginally) owned company based in Toronto, is attempting to establish such a database and BC Hydro is assembling information useful to its industrial field.
The distinction between enterprise that is on-reserve and off-reserve is more than just a question of relative tax advantages because it asks the question: What is an aboriginal enterprise? More precisely, the question could be framed as: What, if anything, is the difference between an enterprise that happens to be owned by an aboriginal person and a distinctively aboriginal enterprise? The answers must lie in the very nature of the aboriginal political economy. The following chapter will address these questions in greater detail.
Chapter Four

Aboriginal Enterprise and the Marketplace

The Characteristics of Aboriginal Enterprise:

So, the question at hand is What makes an enterprise aboriginal? Aboriginal Business Canada (ABC) has the most open definition since it defines an aboriginal enterprise as any business owned, majority owned, or in some cases minority owned, by any person or organisation that identifies itself as aboriginal. Indian Affairs has a similar definition, but because it is still restrained by the Indian Act, it must restrict itself to enterprises involving Registered Indians. Moreover, Indian Affairs operations are primarily directed at First Nations local government located on-reserve. Hence, Indian Affairs continues to have only marginal direct involvement with Registered Indians living off-reserve. Similarly, individual First Nations tend to concentrate on reserve communities and, therefore, may define aboriginal enterprise as restricted to those Band members whose businesses are integral to the economic fabric of reserve life. Such enterprises may be located off-reserve, but not far off, and utilise Band members as their main source of labour. Meanwhile, national organisations such as the Canadian Council of Aboriginal Business (CCAB) tend towards definitions similar to Aboriginal
Business Canada since their representation is not tied to any particular First Nation nor to restrictions associated with status or Band membership.

These differing definitions reflect the differing objectives of each organization. Indeed, the tension between tribalism and pan-Indianism evident in the political arena reappears in these definitions of business. On the one hand, there is widespread agreement that all parties are combating the problem of aboriginal unemployment and the associated evils of poverty. In its broadest sense, such a goal is not dependent on any loftier ambition than to employ aboriginal people. Thus, support for aboriginal enterprise is motivated by the implicit belief that aboriginal businesses are likely to hire aboriginal labour and thus reduce aboriginal unemployment. It doesn't matter where the business is located, what its business practices are, or what kind of service or manufacture it offers. In the case of a widget manufacturer, the owner could be a Micmac living in Prince George, whose business practices are the same as the competition in Saskatoon, and who recognises that there is nothing particularly aboriginal about widgets but hires aboriginal labour because it is a condition of Aboriginal Business Canada.

On the other hand, supporting aboriginal enterprise can be seen as intrinsic to larger political or cultural goals. That is, the purpose of the enterprise may be more complex than the employment of aboriginal people. The enterprise may be
viewed as furthering cultural activity as, for instance, aboriginal art, manufactures (tepees, bannock, smoked salmon) or traditional economic pursuits (trapping, fishing). The enterprise may also incorporate political objectives by providing band revenue or by providing community infrastructure as a goal of its operation. At an extreme, one might define aboriginal enterprise as restricted to only those enterprises that are owned by First Nations' governments or their surrogates.

For the purposes of this study, the definition of aboriginal enterprise must be more specific than just the ethnicity of its owner but not so restrictive as to leave out either those enterprises because their activity is non-traditional or is privately owned. One way an enterprise might be classed as distinctively aboriginal is through an examination of its processes. As yet, there are few studies that examine the particular characteristics of aboriginal organisational process. The Canadian Council of Aboriginal Business states that:

One advantage that Aboriginal business people bring to a company is rooted in their cultural tradition of consensual decision making. For example, companies in today's business environment, characterized by change and adversity, are confronting difficulty in areas such as employee motivation and empowerment. Many Aboriginal business people can bring their unique traditions to the corporate setting in ways that complement companies' efforts in employee relations and organizational structure.

Nielson and Redpath, in their study of an aboriginal criminal justice organisation, imply that aboriginal management style has close parallels to what they describe as 'new management'. "Native organisations have much to offer non-Native scholars as prototypes of the use of group-oriented and democratic..."
management practices - strategies that have only begun to be incorporated into Euro-based bureaucratic organizational structures as part of the 'new management ideology' "182 Specifically, Nielson and Redpath identify three major elements that seem to occur in aboriginal organisations and are valued by 'new management'. These are "a flexible, relatively non-hierarchical structure, a style of leadership that involves participation and empowerment, and an organisational culture that perpetuates the notion of the organisation as family, and emphasises group decision-making processes."183 These characteristics emphasise a team approach to the task completion process.

That teamwork is an aboriginal strength has been noted by Eric Newell, president and Chief Executive Officer of Syncrude, Canada's largest employer of aboriginal labour and largest contractor of aboriginal firms. Further, Eric Newell notes that aboriginal co-operative strategies should be emulated by non-aboriginal business. Therefore, he states that Syncrude's employee training emphasises cross-cultural learning by both aboriginal and non-aboriginal employees. Newell gives the following advice to non-aboriginal businesses contemplating hiring aboriginal employees or contracting with aboriginal enterprise:

"recognize that there are socioeconomic difficulties for Aboriginal people and that it's not easy to break the barrier, recognize that cultural differences exist. Our development program hasn't been one of assimilating a minority culture within a majority culture. What we are striving to do is learn how to benefit from both cultural groups."184


Ibid. 4


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The Syncrude experience indicates that there may be powerful cultural differences in the way that aboriginal and non-aboriginal people approach the workplace. Thus, according to Newell, Syncrude has abandoned its initial policy of assimilating the aboriginal workforce into its own corporate culture and replaced it with an approach that utilizes behaviours from both aboriginal and non-aboriginal traditions, effectively becoming bi-cultural.

The little previous research that is available suggests that the Syncrude approach has been successful in the past. In their 1969 study, Deprez and Sigurdson compared a variety of businesses employing aboriginal labour in the prairie provinces. They found that with respect to productivity, absenteeism, and turnover, aboriginal labour participation was powerfully influenced by the degree of independence it experienced. Specifically, their research creates the strong impression that organisation and motivation of aboriginal labour is positively influenced by the degree to which it incorporates congenial cultural values. In particular, values pertaining to authority seem to be of importance to productivity.

It is in this context that aboriginal values of co-operation and non-hierarchic structure must be understood. First Nations' cultures are not without hierarchies or the exercise of authority, but the instruments or means by which these issues are resolved is often different from non-aboriginal cultures. Hawthorn described it in this way

To Indians, however, the exercise of authority by supervisors on the job may be unacceptable because it is illegitimate. The Coast Indian cultures, at least, have the remnants of complex structures.

Paul Deprez and Glenn Sigurdson. The Economic Status of the Canadian Indian: A Re-examination. (Winnipeg: Centre for Settlement Studies, University of Manitoba, 1969)
of status and authority which do not coincide with division of labour in a complex economy of large-scale operations. Much of the high turnover of Indian workers in such fields as logging and sawmilling may, then, represent sensitiveness to and dissatisfaction with the exercise of power and authority by supervisors to whom, in the Indian view, such prerogatives are not appropriate.  

First Nations vary in the means by which they legitimize authority. Thus, it is necessary to be cautious in speculating about general tendencies. Some Nations grant authority seemingly on the basis of hereditary qualifications. However, assuming and maintaining the position of chief is often dependent upon one's childhood and adult conduct. In short, social position can be conditional upon conduct as well as lineage. Therefore, what may appear to be altruistic co-operative behaviour may be the result of self-interested persons of high position seeking the necessary social support to maintain that position. Under such circumstances, persons who wish to maintain authority must be constantly aware of the opinions of those over whom (or in whose name) they exercise that authority.

Hawthorn's observations could be seen as supportive of the cultural barriers argument. For example, that aboriginal people's different view of appropriate authority structures has led to their lack of employment. However, it has never been the case that aboriginal people cannot work under different authority structures. Further, aboriginal authority structures have always been adaptable to business and employment requirements. Rather, it is possible that

Hawthorn, Indians of British Columbia, 89

For example, as one hereditary chief put it to the author, economic development was so important that council decided "it needed a chief to run it"
integrating aboriginal authority structures into business practice may become one defining feature of what constitutes a distinctively aboriginal enterprise.

Moreover, there does appear to be one characteristic of aboriginal authority that can be generalised across Nations. This is the widespread respect for the opinions of elders. Without doubt, authority within First Nations cannot be legitimized without the support of elders who can provide an important check on abuses of power. Elders bring two important elements to aboriginal discussions; first, they bring their life experience and, secondly, they bring perspective over time. Usually these elements combine to emphasise the present generation's responsibility to those that will follow. In everyday language, this is called 'long-term planning'.

Whatever the actual case, further research may reveal that a distinctive characteristic of aboriginal enterprise is a very different approach to decision making compared to that of non-aboriginal businesses. Furthermore, in a general sense, it is apparent that aboriginal decision making is probably dependent upon relationship building and maintenance, and upon long-term planning. In turn, these characteristics of aboriginal enterprise should influence the relationships it has with the community in which it operates. In 1991, these principles were articulated by Chief Ed John in describing the way in which Tanizul Timber is managed on behalf of the Stuart-Trembleur Band.

Respect for one's community, yet another fundamental traditional value, already finds expression in Tanizul's management. "How we develop our company is open to public debate in our

community," says Ed John. "Band members can make their feelings known at our annual general meetings, any of the directors' meetings or through the band council." Since these meetings proceed by consensus, community decisions result. As John points out: "The balance between traditional values and the needs for an economically viable company is achieved through the communities. Talking with the people is the only mechanism we have."

Tanizul was formed in 1982 after having successfully competed for a Tree Farm License (TFL) on lands adjacent to the Stuart-Trembleur reserve. In many ways, Tanizul appears to be the model aboriginal enterprise since it is community controlled, utilises local resources that had hitherto been exploited by non-aboriginal enterprises, and has as its goal the social improvement of the Band.

"Band council representatives point out that the income and training opportunities have made a vital contribution to the morale of the band. Indeed, Tanizul Timber's case when competing for the TFL was strongly based upon social and community development objectives." Moreover, community involvement in Tanizul's management has resulted in modifying traditional logging activities. Band members were able to express their concerns about logging practices that negatively impact on traditional pursuits such as trapping, hunting, and berry gathering. Thus, for example, Tanizul chose not to use herbicides as a means of pruning the forests because of the potential for environmental damage.

Similar themes have been expressed as the motivation for establishing aboriginal enterprise. In 1988 the Anderson Lake Band formed Dicor as a means of establishing various enterprises, principally a fish hatchery. The rationale behind

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Cassidy and Dale, *After Native Claims*, 110
Searle, "Culture Shock," 30-31
forming Dicor was both economic, in the sense of creating jobs, and political in the sense of controlling the band's future while establishing an interest in the local area beyond reserve boundaries.

For the band members, smouldering resentment about their current lot would be a luxury they can ill afford. Instead, this tiny, historically isolated community wants to get into business. In other words, if you can't stop the outside world, then you'd better get involved with it. "We have to guide and shape how the change affects us." [Chief Lawrence] Patrick says. "We have to be apart of what's happening - anything that's happening - around here." In terms of community survival, owning businesses can mean political, social and economic strength.

Significantly, the Anderson Lake Band chose to forego government support on the grounds that it was too time consuming and bureaucratic. Instead they sought out a joint venture partner, provided the project with large amounts of "sweat equity," and have constructed a system whereby band members are shareholders in the venture.

Anderson and Bone found similar characteristics when they studied the development strategy of the Meadow Lake Tribal Council in Saskatchewan. These authors review three theories of development described as Regulation theory, the post-Imperial perspective and Alternative Development. The first theory speaks to local regulation of international capital controlled by transnational corporations, the second to the need for the development of local elites, and the third to 'grassroots' input.

Anderson and Bone theorise that the Meadow Lake strategy incorporates all of these elements and, in the process, has developed a new model that they name Contingency Theory wherein communities, regions, and nations are all part of the global economy and must accommodate themselves to the requirements of the currently dominant regime of accumulation. The approach adopted toward that economy (the mode of development) can reflect local/regional/national needs. Whether it does so or not depends in large part on the presence of an active civil sector capable of articulating those needs and a leadership (management bourgeoisie) capable of developing strategies and structures and negotiating the arrangements necessary to address those needs.\(^1\)\(^9\)\(^3\)

In the post settlement scenarios developed by Cassidy and Dale, the Tanizul Timber model is identified as an "Allies and Adversaries" approach to resource development. Central to this scenario is the concept of co-management by local authorities and established state apparatus.

For whatever reasons, all parties might accept the differences which existed between themselves as the working basis for proceeding with resource development and conservation. They might conclude that contrasting views of the principles of natural resource development, the importance of responding to world markets, and the preservation of the natural resources could stand side by side in a peaceful or at least jointly-managed coexistence.\(^1\)\(^9\)\(^4\)

Such a scenario recognises inherent limitations to First Nations economic authority based on recognition of constraints imposed by the global effects of competition for capital and markets, while at the same time providing for some local regulatory control by the aboriginal civil sector. Thus, local control would be exercised jointly by First Nations, provincial, and federal authorities recognising


Cassidy and Dale. After Native Claims. 32.
the need for aboriginal enterprise opportunities. First Nations would be open for business - but not at any cost. The need for political control over business activity and the frustrations that can result have been identified by the Tahltan Tribal Council.

We in one sense sympathize with developers because we, as businessmen, also experience frustration when politics begin to directly affect our business endeavours. However, the reality is that if our tribal objective of achieving substantial participation in business developments within our country is to be realized within a reasonable time, we must combine politics and business when dealing with developers. Developers will have to come to terms with this reality if they expect to function successfully within our territory.

The Tahltan definition of "substantial participation" includes employment and educational opportunities, equity participation, and the development of Tahltan-owned ancillary business opportunities such as suppliers and service providers that the developer will require. To support these aims the Tahltan formed the Tahltan Nation Development Corporation in 1985 and have developed an economic strategy encompassing fishing, mining, and other initiatives. Thus, Tahltan economic and political strategies overlap to form a comprehensive plan for a Tahltan political economy, locally based, but operating in the global marketplace.

Significantly, the Tahltan view of themselves as business operators draws explicitly from their historic participation in the fur trade. In the Tahltan view, they were never the junior partner in that trade but were, in fact, the equal of the Hudson's Bay Company because they successfully kept European traders out of both their own lands and their areas of influence in the interior. Therefore, current

Quoted in Ibid., 156
Ibid., 56
negotiations with non-aboriginal business interests are pursued with that early
model in mind. The same theme of return to early contact trading relations was
emphasised by Stewart Bell and Gordon Hamilton reporting in the *Vancouver Sun*
in December of 1994. Commenting on the joint venture established by the Alkali
Lake Band and Lignum Limited, the authors observed: "Today's business
relationship between companies and native Indians are as much a return to the way
things were in the early years of contact as they are a bold step forward."197

*Non-aboriginal Business' Response:*

First Nations' willingness to enter the marketplace is hampered by a lack of
experience and infrastructure. In Anderson and Bone's terms, the "management
bourgeoisie" of First Nations is primarily located in local government. By contrast,
there is almost no civil sector with experience in the private sector. Furthermore,
many First Nations communities lack the necessary public infrastructure that
business depends upon. Access roads are often inadequate, power and water
supply can be tenuous, buildings suitable for housing businesses are usually
non-existent, and so forth. Since most reserves are relatively isolated, it is difficult
to attract outsiders with the necessary knowledge because of poor civic facilities
such as recreation facilities, basic public safety requirements (i.e. sidewalks, street
lights, policing), educational institutions, and service industries (i.e. laundromats,
corner stores, gas stations etc.)

These two significant weaknesses in aboriginal communities shape the kind of relationships with non-aboriginal business that First Nations tend to want to negotiate. Most of the more significant recent relationships that have developed are in the form of joint ventures. The major attraction of joint ventures, besides guaranteeing First Nations equity, is that they usually include training and infrastructure development programs for First Nations people and their communities. Such agreements require a shift in non-aboriginal business thinking because the success of joint ventures is measured in terms of social development, education, environmental impact, and long-term sustainability as well as profit margins.

A major contribution that non-aboriginal business can make to First Nations development is in the realm of business expertise. If, as Anderson and Bone contend, First Nation's economic development is dependent upon the development of a "management bourgeoisie," either as entrepreneurial business owners or as managers of First Nations' owned collective enterprises, then joint ventures offer an opportunity for the training of such a class of people. This has been a specific goal of joint ventures entered into by the Musqueum (Celtic Shipyards), Sumas (Sumas Clay Products), Ehattesaht (Hecate Logging) and others. In each of these instances, a major goal of the First Nation involved has been the transference of management capacity from the joint venture partner to the Nation.

Larry McCallum, "Breaking Out," 24
John Friesen and Steve Mitchell, "Profits for People" B. C. Business June 1985, 13
Frank Cassidy and Norman Dale, After Native Claims, 102-3
The response of non-aboriginal business to these new requirements has been mixed. Some businesses have tried to proceed as if partnerships with First Nations are of only minor importance and have found themselves investing large amounts of money into schemes that were thwarted by First Nations. Perhaps the classic instance was the Orenda experience with the Nisga’a of the Nass Valley.

Orenda intended to construct a $365 million pulp mill on the Nass River using a new Finnish technology that the company claimed was environmentally friendly. However, Orenda was clearly unable to adjust its business practices to accommodate First Nations’ interests. As a result, after some two years of planning, the project was cancelled. Orenda’s inflexibility is revealed in the following passage:

"Never again I won’t ever do business with Indians who are negotiating claims," says Hugh Cooper, the company’s 68-year-old president and chairman. "Too much risk. Too much frustration. Besides, Indians do not work in the typical North American way. The Nisga’a,” he says, “are a kind of matrilineal society - they have different hierarchies, councils of chiefs, councils of elders."

Cooper is clearly unable to appreciate that business initiatives in First Nations territories require an understanding of cross-cultural issues. Instead, he appears to believe that First Nations should conduct themselves in “the typical North American way” despite the fact that aboriginal people are most assuredly not typical North Americans. Moreover, his assertion that he will not do business with First Nations negotiating claims is essentially an assertion that Orenda will not be doing business in British Columbia until the treaty process is completed.

A similar tale unfolded at Port Hardy over a proposed ferrochromium plant. Despite the fact that the plant was to be built on crown land adjacent to, and claimed by, the Kwagiulth Band at Fort Rupert, the band was not approached until the project had received all the necessary government approvals and construction was expected to begin. In the meantime, the Kwagiulth Band conducted its own internal decision-making process and determined that the plant should not be built because of environmental concerns. Needless to say, the project was abandoned despite the years of costly planning that had been invested.

What is especially curious about the Fort Rupert Affair is that this band had already successfully halted logging on Deere Island because they claimed the Island to be a traditional burial ground. While the plant's investor may not have known this piece of recent local history, it is hard to see how local government officials could have been unaware of it.

It may be that it is easier for foreign companies to negotiate agreements with First Nations because they do not have to redefine an existing relationship. The Nisga'a have entered a joint venture with the US company Rayonier to sell raw logs to Japanese buyers because

"A lot of Canadian companies aren't looking long term" [says] Mathew Moore, general manager of Nisga'a Economic Enterprises. "Most of them seem to be trying to dig their heels in and figure out how to protect what they have from the Indian hordes at the land claims table." 204


In fact, they did know but evidently missed the significance. The businessman, who found himself owning an island he couldn't log, was represented by a local lawyer who, in addition to being a former Mayor of Port Hardy, was deeply involved in the municipal economic planning process encouraging the construction of the smelter. As it happens, the lawyer was also the author's lawyer and, by chance, the author met many of the players in the lawyer's waiting room.
A similar rationale has been advanced for the partnership created to develop Burrard Band reserve land. In this instance, the Burrard Band has found a willing partner in "Loong Keng Lim," former CEO of Abbey Woods, a multinational developer originally based in Malaysia. Born in Thailand, educated at a Chinese high school in Singapore, with an American MBA and worldwide business experience with his father's food company, Lim is no stranger to the world of high-level business.

Lim had no preconceptions about First Nations in British Columbia and therefore was able to approach the Burrard Band as just another cross-cultural business challenge. The partners have formed Takaya Development that will develop reserve lands for a driving range and condominium development.

The terms were unusual and in many ways more onerous than those of your average deal. The band had only the land to offer, and on a leasehold basis at that, it brought no financing to the table and no business experience. Yet, in return for development expertise and money, the band wanted $1 million up front, 50 per cent ownership and a chance to use the entire development experience as a training ground for its members.

So why did Lim go for it? He says he acquiesced to the terms - with the exception of the $1 million - simply because he could understand why Len George wanted them. And he agreed with those reasons. Clearly he sees tremendous long-term potential in the business of native land development.

Lim has now formed Native Strategic Investments as a vehicle for further joint ventures with First Nations. This company is said to be developing...
relationships with other bands in North Vancouver, Tsawwassen and Port Coquitlam.

There are an increasing number of other examples of successful partnerships between First Nations and non-aboriginal business. In each case, the success of the partnerships seems to hinge on the non-aboriginal partner accepting the conditions set forth by First Nations, namely, training, partial control leading to full control, social and/or infrastructure investment, long-term planning, and respect for the environment.

**First Nations' Internal Conflicts in a Business Context:**

As the non-aboriginal business sector attempts to adapt itself to the enhanced position of First Nations within the provincial economy, it finds itself confronted with a number of unresolved conflicts within and between First Nations themselves. Many of these conflicts have not been addressed because of First Nations' perceived need to present a united front when dealing with the non-aboriginal world. As Renee Taylor put it when interviewed by Noel Dyck, "You feel like you're giving aid to the enemy." Taylor identifies as problematic

Precisely how many joint ventures are currently in place is impossible to ascertain. Cassidy and Dale (After Native Claims) was the first major inquiry into the subject. The number of ventures formed since 1988 is unknown. However, one rough measure is the amount of press coverage they receive. For example, the first BC Business article on aboriginal business appeared in 1985. A second came four years later in 1989. However, between 1991 and 1995 there were eight articles published. Meanwhile, in 1994, the Financial Post published a special Joint Venture Supplement and both Canadian Banker and Canadian Business magazines published their first articles on aboriginal business issues.

the lack of accountability structures within the Indian Act - particularly as it pertains to the relationship between chief and council and their constituents. Where internal problems arise, their resolution is left to Band Councils because they are the only political structure recognised by what she calls the "Canadian body politic." "I think the state is coming to a point where it is going to legitimize and entrench band councils even more, whether or not they are democratic, or even rudimentarily fair." Some aboriginal people are turning to the court system in order to address the problem of accountability, and Taylor speculates that these initial challenges to band authority would be significantly higher if more aboriginal people knew this avenue was open to them.

Joan Ryan's work with the Squamish of Capilano Reserve during the late 1960's follows a similar theme. Ryan noted that the adaptation of the Squamish to the wage economy of the Vancouver waterfront had the effect of creating a new class of "high status" individuals. These individuals expressed their new found status through the acquisition of material goods that were retained for the benefit of their immediate family - instead of ceremonially distributed as required by Squamish tradition. In addition, the shift in Squamish political organisation away from hereditary chiefs towards an elected council tended to vest political control and benefits within this new "high status" class. Meanwhile, those groups who had traditionally been considered "high status" by virtue of their ownership of important names and privileges tended to be less successful in the wage economy and, therefore, could not participate in the new political structure. In essence, the
Squamish class system had been turned on its head resulting in intra-reserve animosities between traditional and more individualistic groups.

At the same time that Ryan was researching the Squamish, George Manuel was working with the Cowichan. As a Shuswap, Manuel had little experience of the slave-taking tradition of coastal nations. Thus, Manuel was struck by persistence of class identification, particularly slave lineage, in the relations between various Cowichan families. Manuel implies that access to services and material goods amongst the Cowichan was still heavily influenced by traditional class identification. It is unreasonable to believe that such tendencies have disappeared over the past thirty years. The author's own experience amongst the Kwakwala speaking peoples of Northern Vancouver Island during the 1980's demonstrated that traditional class and caste distinctions within and between Nations were still very much in evidence. However, by the 1980's, such observations were always kept private - never subject to public debate.

Noel Dyck has observed this tendency to keep secrets within his own discipline of anthropology. Reporting an informal discussion between several anthropologists, Dyck notes they were aware of several instances of fraud, mismanagement and coercive governance on the part of aboriginal leaders. However, Dyck notes that the anthropologists found discussing these issues

Joan Ryan, "Squamish Socialization.

For example, members of the Gwa'sala-Nakwaxda 'kw Band routinely refused treatment at the Nimpkish Treatment Centre despite the fact that it was the only aboriginally run treatment resource in the area because, they claimed, the Nimpkish treated them badly.
"awkward, " "distressing" and "uneasy." Moreover, Dyck states that such incidences are sometimes "overlooked" by government. In short, though these problems are real enough, they tend to be discussed through gossip rather than public or academic debate.²¹³

However, irregularities within First Nations are occasionally noted by those critical of self-government initiatives. Such is the case with Melvin Smith whose review of the Aboriginal Fishing Strategy (AFS) cites allegations of serious financial irregularities, intimidation of enforcement officers and influence peddling in the Fraser River aboriginal fishery.²¹⁴ Informal discussions by the author with persons close to the Fraser River AFS largely supported Smith's allegations and indicated that a sizeable number of Sto lo elders are concerned that some aboriginal leaders are using the AFS as means to line their own pockets.²¹⁵

The Aboriginal Fishing Strategy has also highlighted intergroup rivalries. For example, Smith cites the reaction of Chief Nicholas Prince of the Necoslie Band (located near Fort St James) to the number of fish taken on the Lower Fraser. In effect, Chief Prince accused the First Nations of the Lower Mainland of taking all available fish to the detriment of Nations upriver.²¹⁶ Similar sentiments were expressed to the author in Port Hardy in 1994. North Island aboriginal

Melvin Smith, Our Home or Native Land? What government's aboriginal policy is doing to Canada. (Victoria: Crown Western, 1995). 214-6
I am unable to cite these sources because of concerns with respect to (1) the possibility that some of the information obtained may be in breach of confidentiality, and (2) the potential for legal action stemming from alleged illegal activities.
Smith, Our Home or. 211
fishers, and particularly the Musgamagw Tribal Council, were said to believe that the federal Department of Fisheries and Oceans (DFO) was in the pocket of the Sto lo and Musqueum Nations because these groups were politically powerful and DFO's head office was located near them. Consequently, it was widely (but informally) believed that Vancouver Island fishers were poaching as many fish as they could before they reached the Fraser River mouth, and before the Sto lo could catch them.

Conflicts over fish allocations are probably inevitable due to the difficulties in calculating fish runs and the fact that fish may pass through many First Nations' traditional territories before reaching their spawning grounds. However, as the treaty process proceeds, territory itself has become subject to dispute between First Nations. Two examples may serve to illustrate the point. At the time of this writing, the Squamish, Musqueum and Burrard Nations are engaged in litigation to determine which Nation has the right to claim Kitsilano and Stanley Park in Vancouver. Similarly, the release of the Nisga'a Agreement in Principle has led to challenges by the Tsimshian that parts of the Naas Valley included in the agreement are actually Tsimshian lands. There have also been similar complaints from the Gitxan about the Nisga'a agreement.

These disputes highlight three important themes. In the first place, these disputes underline the enormous amount of wealth at stake. The treaty process has kicked off a kind of scramble within and between First Nations to stake claim to as

Michael Moore, personal communication, July 1994
Dennis Joseph, personal communication, August 1996
Glen Wood, personal communication, July 1996.
much economic potential as possible. In the second place, these disputes demonstrate the transformation in the conception of land from a legacy held for the common good, to land as owned property in First Nations' contemporary pragmatic considerations. In the third place, attempting to trace land and resource ownership to specific First Nations, who have experienced various historic population dispersions due to more than two centuries of non-aboriginal administration, is proving highly problematic.

The first theme is relatively self-explanatory in a capitalist system. However, the second theme points to problems identified by Wayne Suttles as early as 1963 - at least with respect to the Coast Salish. Suttles believed that assigning the term community, or village, to Salish reserves was an error. He pointed out that the loose collections of longhouses seen by early settlers were not villages in the European sense since they were not cohesive communities. Suttles believed that Coast Salishan communities were actually "conceptual communities" of extended kinship groups that crossed national boundaries, rather than geographic communities of neighbours. Therefore, ownership of land and resources was more appropriately construed as resting in kinship networks, rather than geographic locations. A similar kind of dispute is demonstrated amongst the Gixtsan in Nettie Wild's film Blockade. In this instance, a dispute arose over land ownership between the political arm of the Giktsan Nation and one of the Houses it supposedly contains. Each instance demonstrates that amongst First Nations land was not owned in the European sense. Rather, by and large, it was the privileges to

use the land in certain ways that were owned. Thus, rival groups may exercise rights over the same geographic areas for different purposes. The treaty process applies European concepts of exclusive ownership of property for any and all uses. Therefore, it is not surprising to find groups asserting overlapping claims to land which, in pre-contact times, they may have used jointly for differing purposes.

Finally, the theme of diaspora is directly related to the dispute between the Squamish, Musqueum and Burrard Nations. Aboriginal occupation of Kitsilano and Stanley Park was halted by the actions of the settlers and their government. Aboriginal people who were forced to move tended to move onto reserves set aside for their relatives. Thus, there are probably people in all three Nations who can trace their lineage back to the original inhabitants of the areas under dispute. Moreover, strictly speaking, these three Nations are legal fictions originally created to ease Indian Affairs management. They do not necessarily reflect anything about traditional political organisation in the area. Thus, assigning these areas to one claimant group is necessarily a continuation of settler misperceptions about the

This statement should not be understood to imply that exclusive ownership over certain lands and rivers never occurred. The author recognises that exclusive ownership may have occurred with considerable frequency. The point is, aboriginal conceptions of ownership are not equivalent to conceptions currently used by the Canadian state. Some recent scholarship, notably that of economist Brian Lee Crowley, appears to assume that since First Nations had traditional conceptions of ownership, this necessarily placed them on a developmental curve resulting in capitalist economic organisation. For example, see "Property, Culture, and Aboriginal Self-Government," in Helmar Drost, Brian Lee Crowley & Richard Schmidt with a comment by John Richards, Market Solutions for Native Poverty: Social Policy for the Third Solitude (Toronto: C D Howe Institute, 1995), 58-97. The author specifically rejects Crowley's argument. Certainly First Nations economic structures were not static, and they may have had some similarities to feudal Europe, but the two continents developed their own economic organisation based upon their specific situations. In short, the only reason capitalism seems inevitable is because of European expansion.
nature of aboriginal "villages" and the historical administrative imperatives of the federal government.

The disputes between and within First Nations suggest that the non-aboriginal business world needs to exercise caution in assuming that the aboriginal voice is contained within First Nations' political structures. In fact, as with any other social organisations, First Nations contain a multiplicity of voices representing differing cultural and historical imperatives. For a variety of reasons these alternative voices may have uneven access to means of conveying their opinions. Thus, an outsider may feel that an agreement with a Band is in place only to have the agreement undermined at the last moment by forces and influences of which he or she is unaware. Returning to Renee Taylor's observations:

The resolution of these problems is placed on the chief and council, whether or not that truly reflects the internal band power structure or the shakers and movers or how things really happen in an Indian community in terms of how people actually organize themselves. Little attention has been given to how communities actually organize themselves.

Although this remark is made in the context of suggesting future directions for anthropological research, the problem it identifies is equally important for non-aboriginal business. The fact is, within First Nations communities, things are not always as they seem. Therefore, the wise business invests time and energy into discovering who are the "movers and shakers" in any given community. Moreover, since each Nation has its own traditions and its own particular history there are no

Although not examined in depth here, the aboriginal diaspora also created the classifications of Status Indians, Non-Status Indians, on-reserve, off-reserve and Metis. Each of these classifications may have competing views and interests that may need to be taken into account.

Ignace, Speck and Taylor. "Some Native Perspectives." 182
hard and fast rules to be consulted. Each Nation is not only distinct from the
non-aboriginal world - but is also distinct from other First Nations. There are no
templates that cover all Nations and all eventualities

**An Aboriginal Business Sector:**

In its presentation to the Royal Commission on Aboriginal Peoples, the
Canadian Council of Aboriginal Business (CCAB) noted that

At the moment, most Aboriginal enterprises are small, micro
businesses. The degree of economic unification and
inter-community trade among these businesses is low. Economic
development on a broader scale can be boosted by capitalizing
on the high degree of community and cooperative spirit
commonly found in Aboriginal businesses. Increased
coordination and productivity of economic activity can be
strengthened through the more active roles of Aboriginal
professional and sectoral associations. 224 Accordingly, the Council recommended the establishment of an Aboriginal
Trade Commission (ATC). The ATC would be designed to facilitate
inter-community trade, provide expertise to isolated communities, establish a "buy
aboriginal" program, and open offices in foreign countries to identify potential
international markets for aboriginally produced goods. In addition, the ATC would
work with already established professional associations in order to create a
national aboriginal trading network.

Unfortunately, the track record of aboriginal business organizations in
British Columbia has not been good. The CCAB does not perform this function
itself, preferring to concentrate upon its mentorship program. Moreover, because

CCAB, *Submission to the Royal Commission*, 22-3
the CCAB was founded through the efforts of the Kroc family (Shoppers Drug Mart), and its Board is not exclusively aboriginal, it is sometimes viewed with suspicion by other aboriginal organisations. On the other hand, the CCAB is a unique national organisation dedicated to furthering aboriginal business participation. Within the province, pan-tribal aboriginal business organisations have been either short lived or tended to shrink into more or less regional organisations.

Neither the federal or provincial governments have filled this vacuum. Industry Canada's Aboriginal Business Canada has no baseline figures of the number of aboriginal enterprises either nationally or provincially. Similarly, the provincial Ministry of Aboriginal Affairs has no formal means of enumerating or classifying aboriginal enterprise. A recent effort by Industry Canada to research aboriginal "high knowledge" enterprises demonstrates the lack of formal networking amongst aboriginal enterprises and a corresponding lack of information within the federal government. The Trent University Aboriginal Education Council received a grant from Industry Canada to research the number of "high knowledge" aboriginal enterprises with a final goal of creating a website enumerating these businesses. However, the grant was time limited (to March 31st, 1997), and there are no formal plans to maintain the site over time.


For example, the Aboriginal People's Business Association. This organisation was in the process of moving out of its offices and into the president's garage when contacted in July of 1994. The organisation had a lifespan of approximately three years. Originally conceived as a pan-provincial organisation, it eventually came to represent a membership drawn almost exclusively from the Lower Fraser Valley.

exercise appears to be a "one-off" idea springing from the mind of an Ottawa-based bureaucrat. The process is reminiscent of the response of Industry Canada's Sandy Grayell in 1994. When asked how Aboriginal Business Canada determined what sectors and geographic areas she and her colleagues chose to support, she answered that they held an informal meeting at the beginning of each fiscal year and made decisions based upon their personal experience. A similar lack of formal planning was related by Hugh Hughson of the provincial Ministry of Aboriginal Affairs.

The Economic Development Officers funded by Indian Affairs are similarly handicapped. Although they have a national organisation, it has also failed to create an enumeration of the businesses they are involved with. A local exception is in the Central Interior, where a directory of aboriginal enterprises located on the Central Plateau has been published and updated over several years. This project is the result of efforts by virtually the same group of people who organised the Central Interior First Nations Community Futures project.

The lack of an aboriginal business organisation has proven frustrating to those interested in promoting and supporting aboriginal enterprise. The author's own attempt to create a database of aboriginal businesses in 1994 revealed several reasons for this situation. In the first place, there was a general concern that such information would be used by Revenue Canada to further weaken aboriginal tax

Sandy Grayell, personal communications, July - August, 1994
Hugh Hughson, personal communication, July, 1994
The directory in question is entitled 'Central Interior Business Directory', published from time to time by All Nations Business Services, Kamloops, B C
benefits. Secondly, it seems that intertribal rivalries are still undermining the formation of a pan-Indian business identity. Thirdly, the intermixing of political and economic interests within Band and Tribal Councils tends to make business decisions secondary to political decisions. As one aboriginal business manager put it to the author: "The first thing is to keep the politicians out." Other aboriginal business people have told the author that aboriginal politicians are not really interested in developing an aboriginal private sector because they fear it would undermine their power base. More formally, the Canadian Council of Aboriginal Business has stated: "the foundation for business and entrepreneurial development, constituting one of the main pillars of self-determination, must be rebuilt to facilitate a bottom-up redevelopment process. Much of this depends on the ability of governments - Aboriginal and non - to separate their economic strategies from their political goals."  

Statistics Canada figures from the 1991 Aboriginal Peoples survey would seem to support the view that aboriginal business is more numerous and successful away from the influence of politicians. Some 3,380 self-identified "North American Indians" stated they owned or operated a business in British Columbia. Of these, 3,010 were off-reserve. The figures are striking, but must be used with caution.

Sandy Gravell of Aboriginal Business Canada cited the example of a Coastal Band she was assisting to develop a hotel complex. She suggested that since an Interior Band had already opened a hotel, the Band in question might call upon the Interior Band's experience. The suggestion was met with rebuff. Ms. Gravell was of the opinion that the Coastal Band felt that an Interior Band couldn't possibly have anything to teach them. Personal communication, July 1994.

CCAB. Submission to the Royal Commission. 27

since the causes of the bias are likely multi-dimensional. For example, the disparity may reflect differing economic opportunity, levels of infrastructure, educational attainment, isolation, or other factors. Some of these businesses may actually be close to a reserve settlement but not actually within its boundaries. Moreover, the figures do not reveal anything about the size of the businesses in question or capture those businesses that are communally owned. Nevertheless, it is probably the case that the typical aboriginal entrepreneur is to be found off-reserve. At the very least, this would seem to indicate a significant drain of entrepreneurial energy away from First Nations' settlements and into the cities.

**Politics and Business:**

For many First Nations, separating the political issues from economic issues can be extremely difficult. Recalling Anderson and Bone's contention that successful economic development is largely dependent upon an active management bourgeoisie, and that aboriginal professional employment since the 1970's has been largely centred in government service, it is seems that a clear distinction between economic and political organisations may be unobtainable at the present time. The aboriginal civil sector is largely composed of people who wear many hats. For example, Ed John is not only involved with Tanizul Timber but it also a major spokesman for the First Nations Summit. Gerri Collins directs the Central Interior First Nations Community Futures, but also sits on the provincial board of Indian Friendship Centres, was deeply involved in aboriginal social work training, is a
member of the provincial Native Economic Development Advisory Board and many other endeavours. In short, the First Nations' professional and management sector is relatively small in comparison to the range of issues that need to be addressed, populations to be served and, in some cases, enormous distances to be covered.

It is perhaps useful to think of the political and economic spheres from a task perspective. After noting that the Harvard University Project on American Indian Economic Development demonstrated that bands with an independent economic development board have five times the level of economic prosperity of those that do not, the First Canadian Alliance (a company formed to provide business consultancy services to First Nations) makes the following statement:

"Governments can provide the effective atmosphere to encourage the right business climate for the business to succeed. The challenge is how can aboriginal communities develop the necessary organizational and institutional capacities to proceed? Decisions made by the Band Councils are inherently political because of the structure that it was designed for to make decisions, by elected representatives, that are in the best interest for the community. By default then, business decisions are being made by Band Councils."

According to this view, First Nations' government have neither the necessary expertise nor the required flexibility to make timely decisions in the marketplace. Rather than creating and administering business, this view argues that First Nations' government should concentrate on creating those institutions and infrastructures that encourage entrepreneurship. It is further argued that one of the main obstacles to this kind of infrastructure development is the historic relationship...

between First Nations and the federal government. In particular, "aboriginals have had institutionalization forced upon them, whether directly or indirectly, especially when interacting with governments." In short, there are pressures on First Nations to replicate existing Canadian institutions. Therefore, the challenge for First Nation's self-government is to create an environment that nurtures and partners with entrepreneurs without replicating the kind of historic "top down" policies and practices of Indian Affairs. The community, through its political structures, has the right to decide what kinds of businesses it wants to encourage (i.e., non-polluting, environmentally sustainable, etc.), but once those businesses are established, they must be able to compete in the marketplace.

The desirability of separating the political from the entrepreneurial is emphasised by Eric Newell. Syncrude initially attempted to foster relations with First Nations by establishing relationships with First Nations' governments. However, these attempts proved ineffective for establishing business relationships because government leadership was relatively unstable due to the requirement to hold elections every two years. Syncrude found this to be a major obstacle to establishing continuity of relationships, which handicapped long-term planning. Syncrude's solution was to employ an officer whose task was to seek out potential aboriginal entrepreneurs and assist them in establishing businesses. In turn, these businesses were able to bid on supply and service contracts tendered by Syncrude. Moreover, Syncrude insists that these businesses seek other customers in order to

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Ibid. 5
Eric P. Newell, "Special Report." 11
lessen their dependence upon Syncrude, diversify and stabilize their operations and expand their experience in the marketplace. Over the long term, Syncrude believes that this strategy will successfully improve Syncrude's image as a corporate citizen, but more importantly, it will give aboriginal people a stake in Syncrude's future. Ultimately, Syncrude hopes to develop a situation wherein aboriginal business and Syncrude have a symbiotic relationship that will lessen or eliminate the perception that First Nations and the corporate sector are natural adversaries.

The problems associated with government-sponsored attempts to establish and maintain business are demonstrated in Hugh Shewell's review of federal social assistance policies. He shows the difficulties faced by First Nations governments in dealing with federal "top down" policy initiatives. In particular, Shewell draws attention to the Work Opportunity Program (WOP). This program is designed to provide time-limited (12 months) work to on-reserve recipients of social assistance in the belief that this will provide the necessary training and experience to enhance their employability. Secondarily, WOP projects are expected to contribute to community well-being by providing jobs for community improvement. While Shewell identifies many drawbacks to this program (i.e., lack of policy flexibility, time-limited funding, requirement for employee turnover, etc.), perhaps the most striking is the debate over the role of social assistance and the definition of work.

According to Shewell, "when elders talk about the loss of incentive to work, they mean the loss of the intrinsic meaning of work for the community as a whole, not the erosion of the Protestant work ethic." Shewell argues that, from an aboriginal perspective, the purpose of work created under WOP has little to do with enhanced employability but is more related to the creation of better communities. Thus, within aboriginal communities "work" is reconceptualized as making a "contribution." This conceptualization of work as contributing to the community, particularly through the medium of employment opportunities rather than as part of a profit-seeking business ventures, can lead to the belief that "the band will provide" for the employment needs of its members. This ethic was brought to the author's attention by an elder who averred that the reason few aboriginal children were completing high school was that they believed the band would provide them with a job by virtue of their band membership. Therefore, qualifications were of minimal importance. Moreover, as Shewell documents, WOP funding has tended toward providing social services (Osoyoos Band) or subsidizing uneconomic band businesses (Penticton Band, Moricetown Band). In the case of the former, the reasoning is that these services should be provided anyway, and therefore, they should be provided by band members. The case of the latter is a good deal more complex.

For example, the Osoyoos Band uses the WOP program to subsidize its Inkameep vineyard. In principle, since the business is reported as weak, the use of a subsidised workforce may be justified on the basis of making the company...
stronger. However, reliance on WOP funding means that this source of subsidised labour is uncertain over time and that profits generated by the business are expected to repay the subsidy. Thus the business remains capital poor. Meanwhile, although Shewell does not report it, Inkameep received some $60,000 from Aboriginal Business Canada (ABC) during the period of Shewell's research.

However, given the nature of the project, "to determine whether Okanagan grape varieties can be used to produce world class wines," it seems unlikely that the money was spent within the band. As ever, the problem revolves around the shortage of capital. This creates a situation in which the business is dependent upon political decisions made in the context of Social Assistance funding rather than under the influence of the market. In turn, this can result in the business becoming inherently unstable. Moreover, it necessarily confuses political decisions with economic decisions.

The difficulty with Shewell's analysis of the purpose of work in aboriginal communities is that it seems to imply the old cultural barriers argument. If it is the case that aboriginal people on reserve view work as necessarily in itself a contribution to the community, then entrepreneurial activity designed to make a profit for the sole benefit of individuals would be culturally inappropriate. In other words, the entrepreneur should work for the good of the community rather than for the purpose of private wealth creation and accumulation. However, since all businesses need capital in order to survive in the marketplace, its accumulation...
must be the primary focus of any successful business. As the First Canadian Alliance succinctly puts it, "The goal of business is simple, to make money."²⁴⁰

The problem with the WOP program is that its federally imposed regulations prevent aboriginal businesses from accumulating capital by insisting that any profits be returned to the program in the form of repayment of subsidies. As Shewell's informants repeatedly state, bands do not realise the benefits of an employed labour force. Instead, any savings are returned to Indian Affairs in the form of less social assistance expenditure. From the bands' point of view, social assistance savings should be retained by the community in order to invest in further projects. The policy, as described by Shewell, actually punishes bands that are able to develop successful businesses by reducing the amount of public investment in their communities. This form of regulation is typical of government funding policy but can be disastrous in the marketplace since it discourages businesses that are profitable and encourages businesses that are marginal enough to receive government support. Moreover, the guideline that insists on a maximum of twelve-month placements ensures that aboriginal enterprises utilising subsidised labour through WOP also lose social and knowledge capital due to the required turnover of employees. At Moricetown, where the band operates a sawmill, these guidelines are ignored. According to the Band Social Worker:

There are three reasons for this: first, if we had turnover every 12 months or so, then the mill would constantly be losing skilled workers. second, the mill, in effect, would never be more than a training ground for other mills, and third, we would be constantly disrupting the lives of people who had developed

First Canadian Alliance. "Separating Business." ⁹

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good work habits, a sense of a steady, living wage and independence and returning them to a state of dependence.  

In a sense, these federal guidelines for WOP are out of step with the CAEDS strategy. If it is the goal of government to create an aboriginal political economy then efforts should be directed at establishing and maintaining aboriginal enterprises. However, there appear to be at least two other goals of WOP: first, to create temporary jobs as a training base, and second, to make a contribution to reserve communities by creating a kind of reserve civil works. Neither of these latter goals are capable of creating a sustained process of wealth creation.

For aboriginal communities, it is the process of wealth creation that is at the heart of the problem. The use of social assistance funding in the arena of business creation and support tends to obscure this basic fact of business. Andrew Armitage’s companion piece to Shewell provides a typical example. Armitage organises tensions within what he calls the “Work-Welfare Debate” in a triangle composed of lower program costs, adequate income support and work incentives. Armitage argues that direct support through welfare payments have consistently proven to be the cheapest way to deliver income support despite pressures to introduce “workfare” in various jurisdictions. Armitage then goes on to assert that for the “true conservative,” the only viable alternative to reducing welfare costs is to reduce or eliminate benefits. On the other hand, Armitage

Quoted in Shewell, “Use of Social Assistance,” 36


ibid. 106
argues that the primary motivation for a person to choose work over welfare is suitable economic benefit.

As an alternative to traditional approaches to welfare, Armitage suggests a community development approach that would include Socio-Structural and Community levels of activity. The former includes government commitment to full employment (through government expenditure), removal of workplace inequities, and family policy measures (i.e., day-care, income supplements). At the community level, Armitage cites community-controlled and culturally sensitive social service projects and economic development projects. What is missing from Armitage's discussion is any appreciation of where the funding for such employment activity would come from. There seems to be an assumption that the federal government would simply turn over dollars to First Nations who, in turn, would fund projects that would employ people in social service positions within a "culturally appropriate" definition of work. Economic development receives only passing mention—and then is couched in terms of "local community actions." Therefore, it would appear that Armitage does not foresee First Nations developing businesses in order to provide the tax base for a truly independent social assistance strategy. Instead, the vision appears to be one of employment strategies continuously funded by the federal government but administered by First Nations' government. In the author's view, such a system lacks any meaningful accountability, either to the taxpayer or the service consumer, and would merely
create a situation in which employment opportunity is principally influenced by the political domain since available wealth would be controlled by political structures.

Armitage does recognise that unemployment is inseparable from the lack of jobs. By his own reckoning, people work if they have sufficient economic incentive. This includes a role for government in reducing barriers (such as the lack of adequate childcare), but as WOP has clearly demonstrated, government cannot produce wealth. Instead, government consumes wealth in order to provide for the needs of its citizenry. Wealth is created by the business sector through its economic activity. Taxes are a charge against business that can be used to redistribute wealth for the good of the community. However, governments must also ensure appropriate conditions under which business is able to continue to produce wealth. Striking an adequate and stable balance between these two imperatives is by no means easy. While it is the case that the business community provides an important check on government spending because it has a stake in the use of the wealth it has created, it is also true that governments must ensure that business practices are not destructive of community goals. Business lobbies government, and government regulates business. This relationship tends to inhibit the worst excesses of either party. This is no different for First Nations than for any other polity except that, at the moment, First Nations do not have a business community to tax.

Public policy that is designed to enhance employability or provide social support cannot succeed without an adequate business component that creates
employment opportunity. Therefore, encouraging entrepreneurship and business creation is a welfare policy. Arguments for culturally appropriate definitions of work are largely irrelevant if there is no work in the first place. Moreover, these arguments can come perilously close to supporting the status quo. As discussed earlier, an aboriginal business sector is not required to simply emulate the dominant sector in either its processes or its raison d'être, but it cannot get around the requirement that it make money. Similarly, First Nations' governments do not have to replicate the Canadian version of the welfare state, but they cannot ignore the fact that they depend upon others to create the wealth they need to deliver their services.

The concentration of the aboriginal management sector in government and the historic removal of aboriginal entrepreneurial activity from British Columbia's overall economy has created a situation in which First Nations' economic decisions are almost exclusively made within the political domain. Therefore, they tend to emphasise the consumption of wealth rather than its creation. Unlike the larger polity, there is no possibility of negotiating a balance between the public and the private, the economic and the politic, the taxpayer and the government. This problem is not the responsibility of First Nations themselves. Rather it is the legacy of the historic actions of non-aboriginal government and business. As the development of the CAEDS strategy indicates, the dependency of First Nations on government funding is not the result of cultural barriers, and the inferred resurfacing of this argument in Shewell and Armitage's work needs to be viewed
with caution It may well be that the cultural imperatives they identify with respect to the definition of work has as much to with the debilitating effects of more than three decades of welfare dependency as with traditional aboriginal cultural values of co-operation and sharing. Again, this is not to devalue these traditions where they exist, but it is to remind the reader that self-reliance, independence, thrift and hard work are also traditional aboriginal values. Redefining welfare subsistence economies by expanding the definition of work to include social activity (i.e., caring for elders, day-care) does not address the problem of wealth creation. Rather, it simply shifts the locus of dependency from the welfare recipient to the civil servant. As an astute client once put it to the author: "If you weren't working for the Welfare, you'd be on it."
Conclusion

As many aboriginal people point out, the First Nations have already won a great victory simply by surviving. That they have survived is a tribute to both their strength as individuals and the tenacity and flexibility of their cultures. However one conceives of First Nations' cultures, either as rooted in the bedrock of the past, limitlessly adaptive, or some combination of the two, one cannot avoid the simple fact that they exist, that they are distinctive, and that they plan to stay that way. Moreover, the general thrust of treaty negotiations and court decisions supports the notion that First Nations' cultural distinctiveness will be rooted within some sort of independent or semi-independent First Nations' government structure. With only the Nisga'a Agreement in Principle before us, it is difficult to make anything but general observations as to what these First Nations' governments might look like or what the limits to their authority might be. However, it is probably safe to say that First Nations' governments constituted under treaty will reflect the basic principle that, within general Canadian standards, First Nations will be able to govern both their people and their lands and resources. Moreover, again within general Canadian parameters, these governments will look to their own histories and traditions for their self-determination.

In many ways, this is simply to state the obvious. Clearly, if it were not the case that First Nations were somehow distinctive in their cultures, and if this distinctiveness were not rooted in the particular lands and resources of their
homelands - a sense of place - then there would be no need for a separate
governmental structure to acknowledge that distinctiveness First Nations are not
just another ethnic group, not just another difference in the swirling debates over
the politics of difference. It could be argued, as indeed it has been argued here,
that First Nations' cultures are not necessarily different from other Canadians
because of their pre-contact traditions. Instead, one might argue that First Nations'
cultures are a by-product of the treatment they received at the hands of the
newcomers, for example, that First Nations' solidarity is a product of the reserves
and a segregated educational system. Certainly there is some truth to such
arguments, but they do not tell the whole story. There have been no clean breaks in
First Nations' histories, no point at which it can be asserted that traditional culture
ended and was replaced by something new. First Nations are not distinctive
because they practice fixed traditions but because the great sea changes in their
lands have led to their own particular cultural adaptations to new circumstances.
An Indian on a motorcycle is still an Indian for all that.

That said, this work also argues that First Nations' governments cannot be
truly self-determining if they are dependent upon outside funding. Federal and
provincial policies, laws and even the constitution are variable. What is given today
can as easily be taken away tomorrow. If nothing else, First Nations' history has
proved the truth of this. First Nations' government self-determination is dependent
upon it being self-sustaining. That is, it must support itself; it must have an
independent source of revenue. The recovery of lands and resources is but the first
step to turning these resources into the wealth-creating enterprises that will sustain First Nations' distinctiveness. As we have seen, First Nations are beginning to establish such enterprises and are demonstrating that cultural values can be incorporated into processes by which wealth-creating business operate.

Indeed, the establishment of aboriginally owned enterprises that adhere to aboriginal cultural principles is a means of turning the cultural barriers argument on its head. That is, aboriginal cultural values do not preclude business activity. Just the opposite, the aboriginal traditions of entrepreneurship, independence and self-reliance would seem to demand it. Instead, the challenge before First Nations is to recover their entrepreneurial traditions without being drawn into replicating mainstream Canadian business practice. Put another way, cultural barriers will exist, but they will be barriers felt by the non-aboriginal sector in the form of conditions as to how business is to be conducted on First Nations' lands. First Nations' business practices will be unique in the same sense that any nation conducts its affairs in accordance with its cultural values. As such, it may be that the non-aboriginal world experiences barriers insofar as it may be told "that's not the way we do things around here." The degree to which the non-aboriginal business sector is able to work within these new constraints may be an important determining factor in the future of British Columbian business success. Companies that adapt will succeed, those that do not will fail.

A central theme of this work has been the assertion that First Nations have never been reluctant to engage in all aspects of the economy of British Columbia.
During the period of first contact, First Nations repeatedly demonstrated both an astute trading facility and a desire to improve their material life by adapting to European goods. It has been argued that the economic zenith of First Nations occurred during the period of first contact through to the 1880's. The two major features of aboriginal life that characterized this period were relative political independence and control over an indigenous land and resource base. It was the gradual erosion of these conditions through the latter half of the nineteenth century and their eventual elimination during the period prior to World War Two that laid the foundation for the poverty endemic to much of contemporary aboriginal life.

The twin influences of government and capital interests were the prime architects and beneficiaries of the decline of First Nations. In order to justify their manifestly racist policies, these European-based institutions erected and promulgated a myth of cultural barriers to explain away their own culpability in creating aboriginal poverty and dependence. This myth has proven extraordinarily resilient in the face of numerous demonstrations on the part of First Nations as to its fundamental falsity. Aboriginal people have repeatedly shown that they have both the entrepreneurial spirit and the will to engage in trade, create enterprises, or to seek employment when conditions indicate that to do so would make economic sense. In fact, it is this work's conclusion that any cultural barriers that have existed have generally been erected by the non-aboriginal community by both removing all possible sources of venture capital from potential aboriginal entrepreneurs and by the ghettoizing aboriginal people into low-paying and
insecure sectors of the provincial and national economy. In short, despite the rhetoric of assimilation common in government policy up until the 1970's, First Nations and their people have been systematically isolated from or marginalized within the overall British Columbian economy and hence denied participation in the Canadian dream.

A second major theme has been the denial of an adequate land base to support the burgeoning aboriginal population during the twentieth century. The lack of land and resources to support an aboriginal economy on reserve, combined with the small size and often relative isolation of reserve land has increasingly urbanized aboriginal people. The trajectory of aboriginal people leaving the reserve seems to have begun during the employment boom of World War Two and continued throughout the 1950's and 1960's as aboriginal people left their economically depressed homes and sought better conditions away from the reserve - often in urban settings. Some evidently succeeded, while many did not. Those that did succeed appear to have included those aboriginal people possessed of the entrepreneurial spirit. Thus, a disproportionate number of aboriginally-owned businesses are currently located off reserve. Whatever the actual reasons, it appears that the entrepreneurial energy that was a major feature of traditional aboriginal life has been drained out of the reserves. In its place, a model of collective undertaking appears to be taking root. Reserve-based business activity appears to be primarily motivated in tandem with First Nations' political
organisations and in many ways have become integral to First Nations' political aspirations.

The marriage of economic and political aspirations on reserve is explicable in the context of aboriginal education attainment and marks a third major theme. The absence of capital to finance private entrepreneurial activity on reserve has led to a First Nations' management sector dominated by aboriginal bureaucrats and politicians who have come to control much of the capital accessed by their constituents. These administrators have been faced with a myriad of problems in the political, social and economic spheres. Moreover, although the number of aboriginal people with management and administrative skills has increased exponentially since the 1970's, they remain a relatively small group, especially in consideration of the enormity of the problems they face. However, perhaps the most debilitating problem they face is the lack of appropriate skills, knowledge, and experience to confront the economic problems that beset them. As this work has shown, prior to the late 1980's First Nations were virtually invisible to the non-aboriginal private sector. Hence, it is only in the past decade that First Nations have been able to tap the expertise and capital available in the non-aboriginal business world. Therefore, the tools available to First Nations have tended to come from government initiatives with all of the problems of inadequate and unstable funding, convoluted policy requirements, and glacial decision-making processes that this implies.
Educational choices made on behalf of and by aboriginal people have not encouraged the acquisition of business acumen. Although there are indications that this is beginning to change, it is still the case that there are far more aboriginal lawyers than accountants, more social workers than sales persons, and more policy makers than bankers. In short, First Nations need non-aboriginal business in order to acquire the kind of business acumen required for the coming century. Therefore, in large part, the central issue over the next several decades is: What kind of role is non-aboriginal business prepared to play in its relationship to First Nations?

The treaty-making process has already demonstrated to some non-aboriginal business interests that First Nations can no longer be simply marginalized out of British Columbia's economy. Beginning with the Calder decision continuing with the Meares Island injunction, the Guerin decision, the 1990 Sparrow decision and most recently the 1996 Gladstone and Van der Peet decisions, First Nations have made their presence felt in virtually all sectors of the provincial economy. While each decision has gone a little way to adding economic certainty, it has become increasingly clear that real certainty can only be achieved in the context of treaties. As long as the ownership of British Columbia's lands and resources remain in question, the possibility of economically debilitating disputes between First Nations and non-aboriginal government remain a constant threat. This is why the treaty process began in British Columbia and why none of the involved parties can afford to let the process fail.
Of course, there are those within the non-aboriginal business world who believe that government negotiators' task is solely to represent their interests. There are First Nations who believe the same. To some extent, this is to state both the obvious and to miss the point entirely. Negotiators on all sides necessarily represent their constituencies. If they were to fail to do so then any agreement they were to conclude would lack legitimacy. However, First Nations have been able to minimize non-governmental participation in treaty negotiations by their insistence on a government-to-government relationship and their demand that there be no preconditions before negotiations begin. That government, and particularly the British Columbian government, agreed to these fundamental conditions is an indication that the negotiations have been undertaken in good faith. Moreover, business interests are but one sector of the overall treaty process. It may have been business interests that provided the initial incentive for negotiations, but government must also balance corporate needs with a myriad of other interests and issues. For example, the environmental lobby, health and social service issues, revenue sharing agreements, municipal relations, judicial jurisdiction, licensing of everything from hunters to doctors, road maintenance, and so forth. The sheer size of the task, the expertise required, the amount of data to be collected and the continual jockeying of various interests for advantage is a daunting prospect.

Non-aboriginal business can try to insist that government unswervingly represent its interests, or it can support the process by placing its knowledge and skills at the disposal of First Nations by establishing partnerships that are fruitful.
for both parties. To be clear, the place of business is not at the negotiation table but in the boardroom. It is there that any benefits realised by First Nations in their recovery of their lands and resources will be put to work, and it is there that non-aboriginal business can make its best contribution to both First Nations prosperity and its own.

We have seen that, for example in the case of Syncrude, companies that are able to tap into the aboriginal entrepreneurial spirit have achieved great success in operating in First Nation's territories. In British Columbia, we are starting to see some emulation of the Syncrude approach (For example, at B.C. Hydro). In effect, this approach assumes an entrepreneurial tradition within First Nations and attempts to seek it out and cultivate it. This may be the greatest contribution that non-aboriginal business can make towards its own future health – recovering the aboriginal entrepreneur from the margins to which he or she has been banished.

For their part, First Nations need to recruit those entrepreneurs who have, in the past, drifted away to the cities to seek their fortune. Moreover, like the Tahltan, their cultural revival must include the revival of their traditional business acumen as well as their spiritual, artistic and social traditions. As elders repeat over and over again "The future is our youth." The past several decades has seen great improvements in the political and legal situation for First Nations because an

B.C. Hydro is actively seeking out aboriginal contractors and suppliers through its Aboriginal Relations Department. Broadly speaking, B.C. Hydro's strategy is to demonstrate to First Nations' business interests that B.C. Hydro's activities represent opportunities for aboriginal business expansion. Resistance to B.C. Hydro's strategy has been felt but not from First Nations. Rather, it is Hydro's unions and long-time employees in outlying districts that have opposed the strategy. The former reject preferential hiring policies while the latter appear to be old-fashioned in their view of aboriginal competence. Paulette Seymour and Rob Carpenter. Personal communication. August 1994.
educated aboriginal management and administrative sector has emerged in these spheres. The next several decades should see the emergence of an aboriginal business sector replete with aboriginal business graduates and entrepreneurs.

However, neither First Nations' government nor aboriginal enterprises exist in a vacuum. First Nations are not large enough, either by themselves nor even collectively, to create a political economy in isolation. By themselves, First Nations cannot provide a large enough market to sustain enterprises in all areas of the economy, and their governments cannot call upon sufficient revenue to meet all the needs of their people. Even if they want to, First Nations cannot go alone into the future. Similarly, the fact of First Nations' independence, no matter what are its limitations, cannot be ignored by the rest of Canadians. Treaties are not the end of the story, rather they are but the beginning. Self-sustaining First Nations will be buffeted by the vagaries of international markets just as any other jurisdiction. But this is nothing new. When the Haida took advantage of the sudden international demand for sea otter pelts, they made a mistake by trapping the resource out in under thirty years. However, this was not the end of their commercial ventures. Rather, they quickly adapted to satisfy the new market demand for potatoes. In fact, ever since the arrival of the fur trade, First Nations' enterprise has taken place in a global context. Nor have aboriginal people always awaited the arrival of opportunity at their doorstep. Aboriginal people have always been great travellers, the arrival of Europeans merely expanded their horizons.
What is likely to emerge over the next several decades is a new partnership that, in its fundamental tenets, will take on the characteristics of the old fur trading relationship. First Nations will gain a measure of independence that will echo their former autonomy, and this will describe the kinds of commercial relationships they have with the non-aboriginal world. Nevertheless, this autonomy will be circumscribed by local manifestations of the global market. There will be successes and failures, trouble-free partnerships and acrimonious polarizations, disputes and resolutions as with any partnership. What is hoped is that these relations will be between equals, where First Nations are free to make and learn from their own mistakes and, finally, gain the value of their lands and resources. In a real sense, the ultimate issue is one of choice. Federal and provincial governments have consistently prevented First Nations from making their own economic choices in order to further non-aboriginal capital interests. Returning lands and resources to First Nations to administer as they wish is simply to recognize that they have a right to choose what they wish to accomplish. First Nations may choose not to encourage enterprise for any number of reasons, cultural traditions being but one. But if they do wish to encourage aboriginal businesses, the treaty process offers them the possibility of gaining the means by which to do so.
### APPENDIX 1

**Table 1: Indian earnings by Sector and Total: 1936-46**

<table>
<thead>
<tr>
<th>Year</th>
<th>Farm Product including hay</th>
<th>Beef sold or used as food</th>
<th>Wages</th>
<th>Rents</th>
<th>Received from Timber</th>
</tr>
</thead>
<tbody>
<tr>
<td>1936/37</td>
<td>$359,530</td>
<td>$81,505</td>
<td>$401,960</td>
<td>$0</td>
<td>$12,798.22</td>
</tr>
<tr>
<td>1937/38</td>
<td>$368,775</td>
<td>$90,768</td>
<td>$422,314</td>
<td>$49,254.04</td>
<td>$31,357.52</td>
</tr>
<tr>
<td>1938/39</td>
<td>$377,265</td>
<td>$91,500</td>
<td>$499,678</td>
<td>$44,363.82</td>
<td>$24,812.12</td>
</tr>
<tr>
<td>1939/40</td>
<td>$397,569</td>
<td>$94,710</td>
<td>$533,835</td>
<td>$46,250.76</td>
<td>$31,043.92</td>
</tr>
<tr>
<td>1940/41</td>
<td>$487,275</td>
<td>$105,510</td>
<td>$772,150</td>
<td>$55,483.55</td>
<td>$37,400.67</td>
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<tr>
<td>1943/44</td>
<td>$654,711</td>
<td>$178,689</td>
<td>$1,507,503</td>
<td>$62,343.70</td>
<td>$113,567.58</td>
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<tr>
<td>1944/45</td>
<td>$754,373</td>
<td>$180,915</td>
<td>$1,818,625</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>1945/46</td>
<td>$842,666</td>
<td>$222,560</td>
<td>$2,197,600</td>
<td>$58,823.81</td>
<td>$80,273.64</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Fec'd from Mining</th>
<th>Earned Fishing</th>
<th>Earned hunting and trapping</th>
<th>Other industries and occupations</th>
<th>Annuities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1936/37</td>
<td>$3,221.98</td>
<td>$384,984</td>
<td>$169,240</td>
<td>$133,524</td>
<td>$49,477.95</td>
<td>$1,596,241.15</td>
</tr>
<tr>
<td>1937/38</td>
<td>$1,361.15</td>
<td>$432,905</td>
<td>$143,179</td>
<td>$152,500</td>
<td>$57,003.81</td>
<td>$1,742,958.52</td>
</tr>
<tr>
<td>1938/39</td>
<td>$6,624.24</td>
<td>$420,950</td>
<td>$149,195</td>
<td>$175,230</td>
<td>$52,406.33</td>
<td>$1,833,024.51</td>
</tr>
<tr>
<td>1939/40</td>
<td>$2,444.21</td>
<td>$508,525</td>
<td>$166,295</td>
<td>$165,630</td>
<td>$52,777.75</td>
<td>$1,999,085.74</td>
</tr>
<tr>
<td>1940/41</td>
<td>$1,854.79</td>
<td>$524,900</td>
<td>$229,986</td>
<td>$206,745</td>
<td>$53,341.48</td>
<td>$2,474,446.49</td>
</tr>
<tr>
<td>1943/44</td>
<td>$1,320.11</td>
<td>$1,588,500</td>
<td>$328,327</td>
<td>$205,643</td>
<td>$57,488.23</td>
<td>$4,698,094.62</td>
</tr>
<tr>
<td>1944/45</td>
<td>N/A</td>
<td>$1,588,838</td>
<td>$360,035</td>
<td>$269,350</td>
<td>$66,588.00</td>
<td>$5,038,724.00</td>
</tr>
<tr>
<td>1945/46</td>
<td>$2,069.68</td>
<td>$1,866,670</td>
<td>$439,730</td>
<td>$404,400</td>
<td>$77,816.97</td>
<td>$6,192,610.10</td>
</tr>
</tbody>
</table>

Source: Canada, Indian Affairs, Annual Reports 1936-46
Appendix 2

Table 1: Population of Registered Indians in B.C., off-reserve and on-reserve showing growth predictions to the year 2011.

<table>
<thead>
<tr>
<th>Year</th>
<th>on-reserve</th>
<th>off-reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>'71</td>
<td>33,643</td>
<td>16,227</td>
<td>49,870</td>
</tr>
<tr>
<td>'81</td>
<td>37,679</td>
<td>22,833</td>
<td>60,512</td>
</tr>
<tr>
<td>'86</td>
<td>43,267</td>
<td>2,655</td>
<td>45,922</td>
</tr>
<tr>
<td>'91</td>
<td>49,530</td>
<td>40,098</td>
<td>89,628</td>
</tr>
<tr>
<td>'01</td>
<td>57,805</td>
<td>44,747</td>
<td>102,552</td>
</tr>
<tr>
<td>'11</td>
<td>64,795</td>
<td>48,353</td>
<td>113,148</td>
</tr>
</tbody>
</table>


Table 2: Registered Indian Population, in B.C., by Indian and Northern Affairs Districts, 1988.

<table>
<thead>
<tr>
<th>District</th>
<th>on-reserve</th>
<th>off-reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell River</td>
<td>2,183</td>
<td>2,411</td>
<td>4,594</td>
</tr>
<tr>
<td>Central</td>
<td>6,536</td>
<td>4,920</td>
<td>11,456</td>
</tr>
<tr>
<td>Hazelton</td>
<td>3,206</td>
<td>2,680</td>
<td>5,886</td>
</tr>
<tr>
<td>Northwest</td>
<td>5,461</td>
<td>8,496</td>
<td>13,957</td>
</tr>
<tr>
<td>Prince George</td>
<td>4,828</td>
<td>3,276</td>
<td>8,094</td>
</tr>
<tr>
<td>Vancouver</td>
<td>9,479</td>
<td>6,130</td>
<td>15,609</td>
</tr>
<tr>
<td>Vancouver Island</td>
<td>7,128</td>
<td>5,316</td>
<td>12,444</td>
</tr>
<tr>
<td>Williams Lake</td>
<td>3,029</td>
<td>1,139</td>
<td>4,168</td>
</tr>
<tr>
<td>B.C. Region total</td>
<td>41,850</td>
<td>34,368</td>
<td>76,218</td>
</tr>
</tbody>
</table>

Source: Indian and Northern Affairs Canada, Indian Register Population by Sex and Residence, 1988 (March 1989)


<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>On-reserve</td>
<td>30,520</td>
</tr>
<tr>
<td>Off-reserve</td>
<td>62,520</td>
</tr>
<tr>
<td>Total</td>
<td>93,040</td>
</tr>
</tbody>
</table>

Table 4: Native Population, on-reserve and off-reserve, for B.C. Regional Districts, 1971.

<table>
<thead>
<tr>
<th>Census Region</th>
<th>on-Reserve</th>
<th>Total</th>
<th>off-Reserve</th>
<th>% off-reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal</td>
<td>1.790</td>
<td>2.095</td>
<td>925</td>
<td>44%</td>
</tr>
<tr>
<td>Bulkley-Nechako</td>
<td>1.960</td>
<td>3.255</td>
<td>1.295</td>
<td>40%</td>
</tr>
<tr>
<td>Capital</td>
<td>0.870</td>
<td>2.110</td>
<td>1.240</td>
<td>59%</td>
</tr>
<tr>
<td>Cariboo</td>
<td>1.855</td>
<td>2.935</td>
<td>1.080</td>
<td>37%</td>
</tr>
<tr>
<td>Central Fraser Valley</td>
<td>1.600</td>
<td>4.55</td>
<td>295</td>
<td>65%</td>
</tr>
<tr>
<td>Central Kootenay</td>
<td>75</td>
<td>205</td>
<td>130</td>
<td>63%</td>
</tr>
<tr>
<td>Central Okanagan</td>
<td>0.90</td>
<td>425</td>
<td>335</td>
<td>79%</td>
</tr>
<tr>
<td>Columbia-Shuswap</td>
<td>2.000</td>
<td>3.65</td>
<td>165</td>
<td>45%</td>
</tr>
<tr>
<td>Comox-Strathcona</td>
<td>770</td>
<td>1.470</td>
<td>700</td>
<td>48%</td>
</tr>
<tr>
<td>Cowichan Valley</td>
<td>2.075</td>
<td>2.410</td>
<td>335</td>
<td>14%</td>
</tr>
<tr>
<td>Cowichan-Alberni</td>
<td>125</td>
<td>540</td>
<td>415</td>
<td>77%</td>
</tr>
<tr>
<td>East Kootenay</td>
<td>0.250</td>
<td>485</td>
<td>245</td>
<td>51%</td>
</tr>
<tr>
<td>Fraser-Chilcotin</td>
<td>1.025</td>
<td>2.025</td>
<td>1.000</td>
<td>49%</td>
</tr>
<tr>
<td>Fraser-Fi George</td>
<td>75</td>
<td>1.840</td>
<td>1.765</td>
<td>96%</td>
</tr>
<tr>
<td>Greater Vancouver</td>
<td>1.290</td>
<td>6.865</td>
<td>5.575</td>
<td>81%</td>
</tr>
<tr>
<td>Kootenai-Stikine</td>
<td>4.655</td>
<td>6.220</td>
<td>1.565</td>
<td>25%</td>
</tr>
<tr>
<td>Mount Waddington</td>
<td>1.090</td>
<td>1.430</td>
<td>340</td>
<td>24%</td>
</tr>
<tr>
<td>Nanaimo</td>
<td>330</td>
<td>835</td>
<td>505</td>
<td>60%</td>
</tr>
<tr>
<td>North Okanagan</td>
<td>505</td>
<td>700</td>
<td>195</td>
<td>28%</td>
</tr>
<tr>
<td>Ocean Falls</td>
<td>1.210</td>
<td>1.375</td>
<td>165</td>
<td>1%</td>
</tr>
<tr>
<td>Okanagan-Similkameen</td>
<td>520</td>
<td>700</td>
<td>180</td>
<td>26%</td>
</tr>
<tr>
<td>Peace River-Hudson</td>
<td>745</td>
<td>2.560</td>
<td>1.815</td>
<td>71%</td>
</tr>
<tr>
<td>Powell River</td>
<td>390</td>
<td>530</td>
<td>140</td>
<td>26%</td>
</tr>
<tr>
<td>Skeena</td>
<td>10</td>
<td>210</td>
<td>200</td>
<td>95%</td>
</tr>
<tr>
<td>Squamish-Alberni</td>
<td>1.430</td>
<td>1.680</td>
<td>250</td>
<td>15%</td>
</tr>
<tr>
<td>Stikine</td>
<td>10</td>
<td>210</td>
<td>200</td>
<td>95%</td>
</tr>
<tr>
<td>Sunshine Coast</td>
<td>225</td>
<td>375</td>
<td>150</td>
<td>40%</td>
</tr>
<tr>
<td>Thompson-Nicola</td>
<td>2.310</td>
<td>3.665</td>
<td>1.355</td>
<td>37%</td>
</tr>
<tr>
<td>Kootenai-Boundary</td>
<td>0</td>
<td>120</td>
<td>120</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total B.C.</strong></td>
<td><strong>25,400</strong></td>
<td><strong>48,260</strong></td>
<td><strong>22,860</strong></td>
<td><strong>49%</strong></td>
</tr>
</tbody>
</table>

Table 5: Urban/Rural Native Populations, by sex, in B.C., 1981.

<table>
<thead>
<tr>
<th>in 1,000's</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm</td>
<td>980</td>
<td>495</td>
<td>480</td>
</tr>
<tr>
<td>Non-farm</td>
<td>35,935</td>
<td>18,500</td>
<td>17,435</td>
</tr>
<tr>
<td>Rural</td>
<td>36,910</td>
<td>18,995</td>
<td>17,915</td>
</tr>
<tr>
<td>1-249</td>
<td>1,910</td>
<td>980</td>
<td>930</td>
</tr>
<tr>
<td>2.5-4.99</td>
<td>1,340</td>
<td>655</td>
<td>690</td>
</tr>
<tr>
<td>5-9.99</td>
<td>1,400</td>
<td>630</td>
<td>770</td>
</tr>
<tr>
<td>10-29.9</td>
<td>7,040</td>
<td>3,280</td>
<td>3,760</td>
</tr>
<tr>
<td>30-99.9</td>
<td>4,760</td>
<td>2,185</td>
<td>2,575</td>
</tr>
<tr>
<td>100-499.9</td>
<td>1,380</td>
<td>575</td>
<td>810</td>
</tr>
<tr>
<td>500+</td>
<td>9,955</td>
<td>4,740</td>
<td>5,215</td>
</tr>
<tr>
<td>Urban</td>
<td>27,785</td>
<td>13,035</td>
<td>14,750</td>
</tr>
<tr>
<td>Total</td>
<td>64,690</td>
<td>32,030</td>
<td>32,660</td>
</tr>
</tbody>
</table>

Table 6: Employment of Native People, 15-65yrs. in B.C., 1971 and 1981.

<table>
<thead>
<tr>
<th></th>
<th>'71</th>
<th></th>
<th>'81</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employed</td>
<td>Population</td>
<td>Employed</td>
<td>Population</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15-65 Yrs</td>
<td>15-65 Yrs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Participation</td>
<td></td>
<td>Participation</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>8.175</td>
<td>14.240</td>
<td>57%</td>
<td>13.025</td>
</tr>
<tr>
<td>Female</td>
<td>3.105</td>
<td>13.935</td>
<td>22%</td>
<td>8.690</td>
</tr>
<tr>
<td>Total</td>
<td>11.280</td>
<td>28.175</td>
<td>40%</td>
<td>21.715</td>
</tr>
</tbody>
</table>

Sources: Statistics Canada 1981 Census of Canada Language, ethnic origin, religion, place of birth schooling, British Columbia Cat. 93-934 (Vol. 2 - Provincial Series)
Statistics Canada 1971 Census of Canada Occupations Occupational Groups by sex, showing birthplace, period of immigration and ethnic group for Canada and Regions Cat. 94-734 Vol 111 - Part 3 (Bulletin 3 3-7) February, 1975


<table>
<thead>
<tr>
<th>North American Indian</th>
<th>Employed</th>
<th>Population over 15 yrs</th>
<th>Participation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-reserve</td>
<td>7.275</td>
<td>20.135</td>
<td>54.7</td>
</tr>
<tr>
<td>Off-reserve</td>
<td>19.655</td>
<td>40.565</td>
<td>65.4</td>
</tr>
<tr>
<td>Total</td>
<td>26.930</td>
<td>60.700</td>
<td>61.8</td>
</tr>
</tbody>
</table>

Source: Statistics Canada 1991 Aboriginal Peoples Survey Schooling Work and Related Activities Income Expenses and Mobility Cat. 89-534 September, 1993

Table 8: Self-Identifying North American Indians, in B.C. on-reserve and off-reserve, who reported owning a business in 1991.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>On-reserve</td>
<td>370</td>
<td></td>
</tr>
<tr>
<td>Off-reserve</td>
<td>3,010</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,380</td>
<td></td>
</tr>
</tbody>
</table>

Source: Statistics Canada 1991 Aboriginal Peoples Survey Schooling Work and Related Activities Income Expenses and Mobility Cat. 89-534 September, 1993
Table 9: Native Employment in B.C. by Occupation and Sex, 1971 and 1981.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>'71 M</th>
<th>'71 F</th>
<th>T</th>
<th>'81 M</th>
<th>'81 F</th>
<th>T</th>
<th>Total Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial, Administrative, and related occupations</td>
<td>95</td>
<td>20</td>
<td>115</td>
<td>500</td>
<td>260</td>
<td>760</td>
<td>560</td>
</tr>
<tr>
<td>Engineering, Natural Sciences and Mathematics</td>
<td>70</td>
<td>15</td>
<td>85</td>
<td>175</td>
<td>40</td>
<td>205</td>
<td>141</td>
</tr>
<tr>
<td>Social Sciences and related fields</td>
<td>80</td>
<td>25</td>
<td>105</td>
<td>240</td>
<td>460</td>
<td>700</td>
<td>567</td>
</tr>
<tr>
<td>Religion</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Teaching and related occupations</td>
<td>15</td>
<td>75</td>
<td>90</td>
<td>115</td>
<td>0</td>
<td>405</td>
<td>96</td>
</tr>
<tr>
<td>Medicine and Health</td>
<td>20</td>
<td>230</td>
<td>250</td>
<td>75</td>
<td>330</td>
<td>575</td>
<td>539</td>
</tr>
<tr>
<td>Artistic, Literary, Recreational, and related fields</td>
<td>55</td>
<td>5</td>
<td>60</td>
<td>235</td>
<td>65</td>
<td>300</td>
<td>400</td>
</tr>
<tr>
<td>Clerical and related occupations</td>
<td>770</td>
<td>445</td>
<td>115</td>
<td>320</td>
<td>1920</td>
<td>2240</td>
<td>304</td>
</tr>
<tr>
<td>Sales occupations</td>
<td>95</td>
<td>105</td>
<td>200</td>
<td>290</td>
<td>515</td>
<td>805</td>
<td>302</td>
</tr>
<tr>
<td>Service occupations</td>
<td>440</td>
<td>835</td>
<td>1275</td>
<td>880</td>
<td>2555</td>
<td>3435</td>
<td>169</td>
</tr>
<tr>
<td>Farming, Horticultural and Animal Husbandry</td>
<td>515</td>
<td>140</td>
<td>555</td>
<td>500</td>
<td>145</td>
<td>645</td>
<td>16</td>
</tr>
<tr>
<td>Fishing, Hunting, and Trapping</td>
<td>595</td>
<td>35</td>
<td>630</td>
<td>935</td>
<td>85</td>
<td>1020</td>
<td>61</td>
</tr>
<tr>
<td>Forestry, and Logging</td>
<td>1540</td>
<td>30</td>
<td>1570</td>
<td>1670</td>
<td>55</td>
<td>1725</td>
<td>10</td>
</tr>
<tr>
<td>Mining, including oil and gas</td>
<td>55</td>
<td>0</td>
<td>55</td>
<td>135</td>
<td>5</td>
<td>140</td>
<td>155</td>
</tr>
<tr>
<td>Processing (including wood and pulp)</td>
<td>775</td>
<td>225</td>
<td>950</td>
<td>1400</td>
<td>760</td>
<td>2160</td>
<td>127</td>
</tr>
<tr>
<td>Machining and related occupations</td>
<td>115</td>
<td>10</td>
<td>125</td>
<td>330</td>
<td>10</td>
<td>340</td>
<td>172</td>
</tr>
<tr>
<td>Product fabrication, assembly and repair</td>
<td>235</td>
<td>60</td>
<td>295</td>
<td>685</td>
<td>120</td>
<td>805</td>
<td>173</td>
</tr>
<tr>
<td>Construction trades</td>
<td>750</td>
<td>0</td>
<td>750</td>
<td>2025</td>
<td>65</td>
<td>2090</td>
<td>179</td>
</tr>
<tr>
<td>Transport equipment operating</td>
<td>310</td>
<td>15</td>
<td>325</td>
<td>760</td>
<td>65</td>
<td>825</td>
<td>154</td>
</tr>
<tr>
<td>Materials Handling</td>
<td>625</td>
<td>30</td>
<td>655</td>
<td>885</td>
<td>130</td>
<td>1015</td>
<td>55</td>
</tr>
<tr>
<td>Other Crafts and equipment handling</td>
<td>45</td>
<td>5</td>
<td>50</td>
<td>105</td>
<td>65</td>
<td>170</td>
<td>240</td>
</tr>
<tr>
<td>Unclassified Occupations (including general labour)</td>
<td>150</td>
<td>5</td>
<td>155</td>
<td>460</td>
<td>65</td>
<td>525</td>
<td>239</td>
</tr>
<tr>
<td>Occupations not stated</td>
<td>1490</td>
<td>790</td>
<td>2280</td>
<td>U/K</td>
<td>U/K</td>
<td>U/K</td>
<td></td>
</tr>
<tr>
<td>Total Occupations</td>
<td>8175</td>
<td>3105</td>
<td>11280</td>
<td>13025</td>
<td>8690</td>
<td>21715</td>
<td>93</td>
</tr>
</tbody>
</table>

Sources: Statistics Canada. 1971 Census of Canada, Occupations. Occupations by sex, showing birthplace, period of immigration and ethnic group, for Canada and Regions, Cat. 94-744 Vol.11 - Part 3 (Bulletin 3.1-7), February, 1975.
Notes on Statistical Data:

The tables contained in this Appendix should be understood as indicators of trends rather than as indicators of the actual conditions of aboriginal people. The figures are drawn from two sources, Indian Affairs and Statistics Canada. Both of these sources have their difficulties.

With respect to Census figures, there are a number of problems. Since reserves constitute independent Census subdivisions and are relatively small, they are more likely to be subject to distortion from 'rounding off' procedures. Additionally, very small reserves are suppressed (not included) due to concerns with respect to confidentiality.

Census figures from one decade to the next are not necessarily comparable. This is because Statistics Canada has not used a consistent definition of aboriginal people. For the 1971 Census, ethnicity was calculated as a single variable usually citing descent on the father's side. In 1981 this was changed to allow respondents to include multiple ethnic heritage. By 1986, statistics on ethnicity were no longer published. For the 1991 Aboriginal Survey, the defining term itself was changed from 'Native' to 'Aboriginal', thereby introducing the categories of North American Indian, Metis, and Inuit.

The situation is further complicated by the growing opposition to the Census by various First Nations. Beginning in 1986, some reserves were incompletely surveyed. By 1991, more than one hundred aboriginal communities boycotted the Census entirely or were incompletely enumerated. Therefore, the net aboriginal population as shown by 1991 Statistics Canada figures are almost certainly too low. For more complete discussions of these statistical problems it is suggested that the reader consult the cited source documents.

Indian Affairs statistics are more consistent since they depend upon a fixed definition of Indian contained in the Indian Act. Moreover, these statistics are derived directly from Band Registries. Nevertheless, there are problems here as well. Since Indian Affairs has no means of identifying 'Non-Status' Indians. A specific problem is that although Indian Affairs can identify numbers on and off reserve there appears to be no means to determine where on-reserve status Indians have moved to. Therefore, it is impossible to say whether moving off reserve is driven by lack of space, economic imperatives, or a decision to seek an urban rather than rural lifestyle.

Without doubt, the biggest distortion of Indian Affairs statistics was the adoption of Bill C-31. Under this act many aboriginal people formerly described as 'Non-Status' have been able to register as Indians. The overwhelming majority of Bill C-31 applicants live off-reserve thereby distorting calculations of urban drift. By 1990, Indian Affairs calculated that there had been more than two thousand...
registrations under Bill C-31 in British Columbia, and applications continue to the present date.

Despite these problems, Indian Affairs and Census figures remain the most accurate and comprehensive sources of data. As such, these figures are used in the present work as indicators of major trends in aboriginal population, employment, and business ownership. However, the figures are not to be taken as statistical 'facts'.
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