

THE UNIVERSITY OF MANITOBA

AN ALTERNATIVE METHOD OF IMPLEMENTING CAPITAL FACILITIES
ON INDIAN RESERVES IN NORTHERN MANITOBA:
A CASE STUDY OF THE SHAMATTAWA SCHOOL PROJECT

BY

© KEITH CLOETE

A THESIS

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OF MASTER OF ARTS

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KEITH CLOETE

A thesis submitted to the Faculty of Graduate Studies of
the University of Manitoba in partial fulfillment of the requirements
of the degree of

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ABSTRACT

AN ALTERNATIVE METHOD OF IMPLEMENTING CAPITAL FACILITIES ON INDIAN RESERVES IN NORTHERN MANITOBA: A CASE STUDY OF THE SHAMATTAWA SCHOOL PROJECT

Conditions for community life on the vast majority of Indian Reserves in Canada is deplorable. Indian communities are characterized by abject poverty, malnutrition, poor health, high infant mortality rates, minimal education and economic underdevelopment. The policies of the Government of Canada have done much to reinforce the dependent state of the Indian community.

The Department of Indian Affairs and Northern Development which manages one of the largest capital construction programs within the federal government, is responsible for the placement of capital facilities on Indian reserves. Although the level of funding allocated to that program has been substantial its impact on improving the lot of the Indian has been insignificant.

This study proposes a method of implementing capital projects which would be conducive to self-development. It examines the process used by DIAND in putting a major project in place and the difficulties encountered in making the project serve the needs of the community. It attempts to show that a major project can go a long way in facilitating development on a remote community in Northern Manitoba. However, it also shows that the desire for self-determination must come from within the community, if the community wants to reduce its dependence on the Crown.

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CHAPTER I

INTRODUCTION

Indian communities in Northern Manitoba continue to exist in a state of underdevelopment in relation to their resource potential. Some 300 years of resource exploitation by outside interests and government policy have placed these communities in a state of perpetual dependency. The intent of this thesis is to propose a method of implementing capital facilities on Indian reserves in Northern Manitoba which would be conducive to self-development.

The objective of the study will be accomplished by first evaluating the implementation process now being used by the Department of Indian Affairs and Northern Development (DIAND) in the delivery of large capital projects, and secondly by proposing a method of putting a major capital project in place which would facilitate local development. In pursuing that objective an attempt will be made to demonstrate that the dynamic convergence of resource use and community needs is a pre-condition specific to the requirements of overcoming underdevelopment, and that the Indian community of Shamattawa, a remote settlement in north-eastern Manitoba, has the human and physical resources to become less dependent on the federal government.

A. Methodology

The framework used in this study has been adopted from that put forward by D.M. Smith, in his Human Geography: A Welfare Approach. The scope of applied human geography based on the spatial welfare

perspective includes five tasks. Those tasks and their application to this study are listed below.

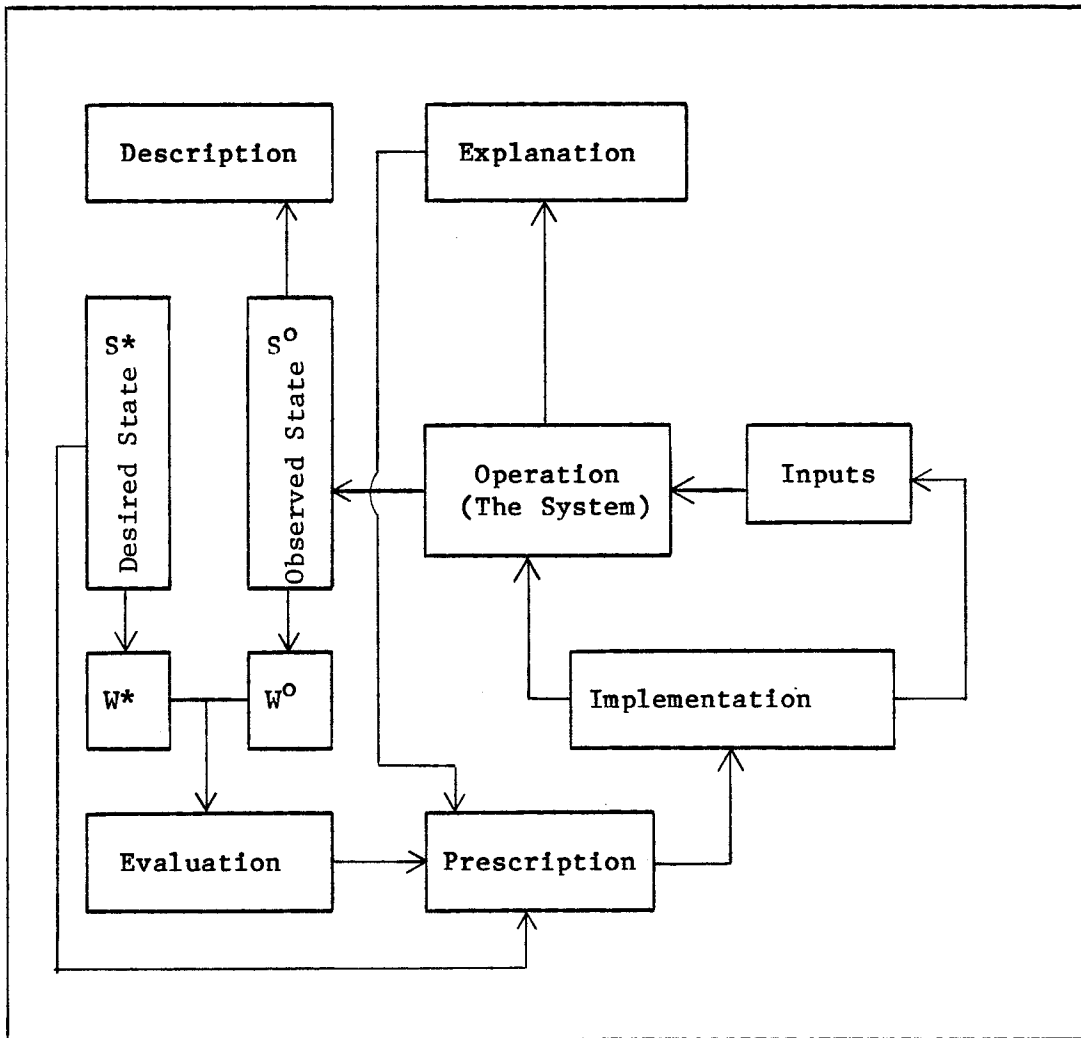
- (a) Description: To identify the territorial levels of the human condition: Statistical and field data compiled by DIAND, Department of Health and Welfare Canada (HWC) and Environment Canada will be used to define the state of the Indian community in Northern Manitoba and particularly that of Shamattawa. This will serve to determine how far Shamattawa's observed social state departs from that of other Canadians.
- (b) Explanation: The dependency and staple theories of development will be used as tools in tracing and explaining the origin and continuing state of underdevelopment in Northern Manitoba and in assessing the inequality in the level of development within the region. This will identify the cause and effect links among the various activities undertaken in society as they contribute to determining who gets what where.
- (c) Evaluation: The techniques of systems analysis will be used to evaluate the development process used by DIAND in the implementation of capital projects on Indian reserves and its impact in the community. Questions will be asked as to who benefits by the DIAND method, and whether there are conflicts between the goals of the community and those of the agents involved in the development process. This will determine the desirability of alternative geographical states and the social structures from which they arise.
- (d) Prescription: The concepts of a well-being oriented theory of self-reliance will be applied in proposing a method of

implementing capital activity that is conducive to community development. The specifications of an alternative geographical state and alternative societal structures required to produce them will be put forth. Our real duty is not to explain our reality but to improve it; if the pattern has been judged inadequate from a well-being perspective then change must be enacted (Losch, cited in Smith 1977 p. 23).

- (e) Implementation: To finalize the process of replacing a state deemed undesirable by something superior: The proposed \$10-11 million Shamattawa school project will be used as a case study in implementing the techniques appropriate to self-reliance.

Figure 1.1

THE SPATIAL WELFARE PERSPECTIVE:
A DIAGRAMMATICAL OUTLINE OF THE WELFARE THEME



Source: Smith 77p.11

B. Chapter Outline

The remainder of this thesis is organized into seven chapters. Chapter two provides a review of geographic input into the area of social relevance and spatial inequality. The plight of the underprivileged is becoming more of a concern to geographers. Many in the field are increasingly challenging the traditional remedies proposed to alleviate spatial inequality. In Chapter three the problem of the Indian in Canada is outlined. The Indian Act drafted to protect him, and DIAND, the bureaucracy established to implement that Act, have created a situation which has perpetuated the dependent state of the Indian. Chapter four provides an evaluation of the process used by DIAND in the delivery of capital projects. The Oxford House school project is used as a typical example of how irrelevant the community is to the vast sums of dollars spent to provide improved facilities. The argument is made for an approach which would be conducive to local improvement, an approach which would be appropriate to the socio-economic conditions of the community. Chapter five examines the impact that resource exploitation has had and is having on the Indian community in Northern Manitoba. The extraction of the staple from the Region has resulted in generous rewards to the "foreign" exploiter but hardship to the original inhabitants. Chapters six and seven are a case study of the Shamattawa school project. It details the attempt made to have the capital investment of a major school project serve the needs of the community. The problems encountered in implementing an approach which would result in a greater convergence of the community's needs with its resources is outlined in the latter chapter. Chapter eight, the conclusion, summarizes the problem of

making changes to the DIAND approach to "improve conditions" at the community level. It also highlights the fact that if there are to be improved conditions on Indian Reserves, the impetus for that change must come from the community.

CHAPTER II

LITERATURE REVIEW: SOCIAL RELEVANCE, SPATIAL INEQUALITY

A. Social Relevance

Geographers traditionally have tended to ignore the spatial dimensions of social inequality. Their preference has been to study the production of goods and services, the distribution of resources, the historical settling and the development of the land, rather than the conditions in which people live (Smith 71, Peet 77, Coates et al 77). The application of geographic skills to the practical problems of oppressed groups first came into focus in the early 1970's. At that time the condition of mankind began to emerge as a major concern of the profession.

A new kind of change is beginning to blow, in the form of the emerging radical geography and an embryonic revolution of social responsibility (Smith 71 p. 153).

The relevance movement called for greater professional involvement with matters of immediate social concern, focusing on the types of problems people faced in their everyday lives.

The geographer's neglect of social problems appears to have been rooted in academic inertia and a reluctance to become involved in issues which are both politically and morally sensitive. Resistance to pursue issues of social relevance is still prevalent (Coates et al 77 p. 6). There is more interest in "science" and scientific methodology than in social responsibility and the scientific

assessment of real problems (Anderson 73). As students we are still reminded that:

To be successful, geographers must acquire broad knowledge from many other disciplines and master a variety of regional analysis methods, for example, techniques to find the best location for stores, shopping centres, schools, factories and the like(Morrill & Dormitzer 79 p. 469).

To help the human species most directly, Bunge, in his treatise on the philosophy and priorities of geographical expeditions, compelled geographers to "go into a state of rationally controlled frenzy" in exploring the human condition (1977 p. 35). It is up to the geographers to study a region and determine from the point of view of the people who live there, "what is geographically out of whack" (Bunge 77 p. 37). This leads to a new paradigm for geography; it is not a "nice geography" or a "status quo geography". It is a "people geography" about real people, contributing to the enlargement of all human beings, especially the most deprived (Smith 77 p. 370).

The well-being of society and its individual members is a proper and necessary topic for geographic analysis. As a discipline it must stand or fall by its demonstrated capacity to enhance human well-being and not by virtue of its convenience to the organization of society and academia (Smith 77). Geographers have a special role to play, that of helping to reveal the spatial malfunctions and injustices, and contributing to the design of a spatial form of society in which people would be better able to satisfy their basic needs. The implementation of the proposed school complex for the Shamattawa community provides an excellent opportunity for the geographer, as project manager, to make a contribution to the well-being of the

people who live there:

.....because of the various facets of his knowledge and especially because of his perception of and concern for correlations of all kinds, the geographer seems to be ideally suited to take part in that modern form of induced development which is "aménagement du territoire"....(Beaujeu-Garnier 75 p. 276).

On a large scale capital development project, the geographer should take a more operative role, that of project manager. He can thus help to get a solution that is purely technocratic replaced by one that may not be ideal but is better suited to the whole situation, i.e., to the "environment", in the fullest sense of the term (Beaujeu-Garnier 75 p. 276).

The construction of the \$10-11 million school complex will be the major investment in Shamattawa, a remote Cree settlement with a population of about 570. The prime objective of that capital investment is the development of educational facilities for the community. However, in view of the deplorable economic and social conditions in the community it is imperative to maximize the amount of this investment that can remain in the community in the form of wages earned, tools and equipment acquired, small enterprises established and skill learned. The "solution" found in implementing the school should be one which enriches the people's technological knowledge so that they may use it constructively in improving their living standards, and possibly developing a basis for a local economy.

B. Spatial Inequality

Geographers have used a number of theories to explain the phenomena of underdevelopment or inequalities among regions or countries. Unfortunately, many of their studies have been characterized

by an uncritical and naive adoption of development models and ideologies which have seriously misrepresented the socio-economic process in underdeveloped regions (Soja 79 p. 28). These studies of spatial differentiation have tended to attach considerable weight to three concepts - the dual sector model, the modernization/diffusion process and Rostow's economic stage theory.

The economist W.A. Lewis is often credited with having originated the dual sector model. According to the model, two economic systems co-exist independently in an underdeveloped region. The modern sector being progressive and receptive to change, is tied through export, organization, capital support and the use of technology to the developed metropole. The traditional sector is considered to be stagnant, engaged in subsistence activities, unproductive and introverted. This model remains widely accepted by geographers as noted in a geography introductory text:

...poor nations have dual economies: a minority of the population is involved in the commercial sector which is often tied to exports and the majority remains in semi-subsistence sectors. The distribution between the two groups is profound. Thus a major problem of less developed nations is to commercialize the subsistence sector of their economies (Morrill & Dormitzer 79 p. 423).

Unfortunately it is not only geographers, but government policy makers who have adopted the dualistic concept to explain the existence and the perpetuation of spatial disparities in the development of a region. The dual sector model appears to be the basis of government policy in Northern Manitoba. The policy makers of the Canada-Manitoba Northlands Agreement, "Options and Opportunities for Development", identify two Norths: one traditional, and one made up

of predominantly white, non-Indian persons from a variety of cultures and countries who share an acceptance of the industrial way of life (DREE, undated).

Adoption of the dual sector model is unacceptable. It is a concept that is static and unhistorical, in which no history is given to the underdeveloped society. Nor is there any explanation of the spatial changes in the developed and underdeveloped areas. Thus, the structures of domination and exploitation of the traditional sector are ruled out (Regan 75 p. 29). Not only does the concept fail to examine the crucial inter-relationship between the two sectors, it neglects to analyze the origins and persistence of inequalities either in terms of economic and social policies of the colonial power, or in the context of the spatial expansion of the international capitalistic system. In the case of Northern Manitoba, the region under study, the Crown continues to play the role of the colonial power, assisting in perpetuating the dependent state of the native community.

In his studies of underdevelopment in Latin America, Frank (1967) found that not only were the "backward" areas bound by ties to the externally oriented national economy, but that the "most backward" areas were the ones which had the closest ties to the metropole in the past. That backwardness and underdevelopment may be more the effects of exploitation by the advanced sector rather than merely obstinate traditionalism. With reference to Northern Manitoba, the Shamattawa Band played a very active role in the fur trade and long maintained permanent residence at the York Factory Trading Post of the Hudson's Bay

Company on Hudson Bay up to the time of the demise of the trading post in the late 1940's. Today Shamattawa is considered to be one of the "more backward" communities in Northern Manitoba, a community in social disarray, virtually leaderless and totally dependent on government handouts for its existence.

The concept of modernization/diffusion follows directly from that of the dualistic model. Underdevelopment is seen as an original state and therefore the diffusion and integration of western values, ideas and technology is offered as a method of pulling out of a state of backwardness. The adoption of all things western is viewed as beneficial to the development of traditional societies and constitutes the achievement of modernity. Failure on the part of the underdeveloped societies to accept these injections of modernization leads to an identification of so called "barriers" and "obstacles" to the efficient transformation of a traditional society to a modern society.

Geographers who have adopted the modernization process have failed to point out that the diffusion of western technology does not necessarily have beneficial effects for the receiving regions. It is more likely to reinforce the ties of dependence and therefore helps to perpetuate underdevelopment instead of leading to development. Underdeveloped societies would be better off developing technical forms relevant to the contemporary level of their economies as a method of pulling out of a state of "backwardness" (Regan 75, de Souza & Porter 74, Frank 69).

Modernization theory is very much prevalent in the philosophy of development adopted by DIAND. The focus of DIAND's activities and expenditures currently are used to deal with the consequences

of underdevelopment such as welfare and new facilities. There is little evidence to indicate that the large amount of money spent on reserves has had any positive impact on the socio-economic conditions of Indian communities. DIAND should be concerned with the local resources available to meet locally defined needs for goods and services by means of technologies appropriate to the community (Beaver 79 p. 6), rather than delivering pre-packaged services and facilities.

Geographers subscribing to modernization theory believe that the history of the West will be repeated in the underdeveloped world. Thus, underdeveloped regions will change in a predictable way in the coming years (de Souza & Porter 74 p. 9). The work of the economist Rostow has been most influential in this area. His model suggests that all societies in the world pass through a series of comparable stages of development. The five stages are, the traditional, the transitional, the take-off to self-sustained growth, the drive to maturity and the stage of high mass consumption (Rostow 60). The underdeveloped country, which can be identified as lying within the five economic dimensions listed, is treated as a self-contained unit which generates its own transformation.

Rostow's notion of continuum conceals the fundamental contrasts that have existed and still do exist between societies in terms of the way in which they have achieved socio-economic transformation:

....neither the past nor the present of underdeveloped countries resembles in any important respect the past of the now developed countries (Frank, Cockcraft, Johnson 72 p. 3).

There is no common route to economic development or a unilinear evolution of societies. In addition, the concept falsifies history in that

it views the causes of growth as sui generis within each country, a fact which the colonial period negates (Regan 75 p. 26). Furthermore the traditional stage is viewed as a stage prior to development, an assumption easily discredited in viewing the history of the Indians in Canada. Prior to the arrival of the Europeans, the Indians were a self-sufficient people who had developed a diverse economy. This, and a century of nearly total government control, have moved the Indian from a self-sustaining society to a state of dependency and social disorganization (House of Commons, 1983 Indian Self-Government in Canada).

C. Challenging The Traditional Development Concepts

Assumptions of doubtful validity on the subject of underdevelopment continue to be expressed in the geographic literature. These concepts, borrowed primarily from other fields, have failed to penetrate the critical issue of spatial inequality (de Souza & Porter 74, Smith 77). The strong reliance by geographers on conventional development concepts to explain the problems of underdevelopment are being challenged not just within the profession, but increasingly by the impatient folk in the Third World. They have begun to pose the critical question, "development for whom". They have also begun to notice how the "magic medicine of development" has always and strangely enriched the developers and left them, the supposed beneficiaries of the process, impoverished (Buchanan 77 p. 363). Likewise the Indian community in Northern Manitoba sees and derives little benefit from the millions spent by DIAND in "modernizing" their community.

Alternative approaches to the established theories of development are beginning to emerge. Modified versions of the metro/hinterland

thesis of Frank have been used by a few geographers such as Santos 75, Brookfield 75, Soja 79. Rather than viewing underdevelopment as a state, underdevelopment is beginning to be accepted as a process, whereby certain forms of economic and spatial organization can be identified as being largely responsible for the condition of the poorer parts of the world.

Underdevelopment is a process of societal change associated with the creation of social, economic, political and spatial structures which inherently leads to a dependency upon outside interest and a powerful external influence over local decision making. These structures revolve around a system of unequal exchange between population groups and areas, and tend to promote the continuation of substantial poverty, social and spatial inequality, and subordination to outside interests. The centres of power maintain their dynamism by accentuating the depressed character of the weaker zones to which they are related. This situation is quite apparent within Canada, where there are regions such as Northern Manitoba, with Indian communities whose "backwardness" is increasing.

Geographers must recognize that the impact of western imperialism on its colonial dependencies resulted in the conversion of pre-developed societies into underdeveloped societies. Before the arrival of Europeans in Canada, and for many years after, the Indian people were self-reliant and had developed diverse economies based on hunting, trapping, fishing, gathering, crafts and commerce. Today the Indians of Canada are beginning to understand that they are not backward and dependent because they are poor, but that they are poor and backward because they are dependent and exploited. Many have

rejected the idea that they are "a resource to be tapped" and are beginning to move towards the idea that they themselves should be tapping the country's resources for their own benefit.

CHAPTER III

DIAND AND THE INDIAN COMMUNITY

A. Canada's Indian Problem

Canada's Indians emerged out of their "state of irrelevance" in the late 1960's: To quote George Manuel, "Indians were rediscovered", (cited in Weaver 81 p. 13). Unfortunately, the rediscovery has not been a particularly rewarding experience for Canada. The findings of the Hawthorn Report, A Survey of Contemporary Indians of Canada (1966-67), commissioned by DIAND, indicated that the economic deprivation of the Indian community was of major proportions. Their standard of living in comparison with other Canadians showed that they were unquestionably a disadvantaged and high-cost general-assistance group. The Report recommended that the thrust of government policy should emphasize development on a broad socio-economic scale in order to reverse Indian poverty and dependence on government.

In response to the Hawthorn Report, and to rid itself of the Indian problem, the government tabled its White Paper on Indian Policy in June 1969. It was a self-serving policy statement designed to free the federal government from criticism and to protect it from future accusations of discrimination, very much in tune with the contemporary tide of social change in North America during the late 1960's. The government proposed global termination of all special treatment of Indians. However, little attention was paid to the liabilities which

the Indians had accumulated from the inequalities of the past. Nor were there any provisions for the implementation of social development programs to alleviate their poverty. As a result, the White Paper was rejected by the Indian community and shelved by the government in 1971. The Indian problem remains with us.

A more recent study, Indian Conditions: A Survey 1980, undertaken by DIAND, indicates little evidence of any overall improvement in the condition of the Indian community. Most continue to exist in a state of underdevelopment in relation to their physical and human resources. The findings in fact reveal a general deterioration in the Indian's socio-economic state since the late 1960's. Fewer than 40 per cent of Indian houses have indoor plumbing facilities. The national level of properly serviced houses is over 90 per cent. Indian families continue to live in overcrowded conditions, with some 20 per cent of on-reserve houses having two or more families living in them. The infant mortality rate among Indian children is 60 per cent higher than the national rate. Their life expectancy, if the child survives its first year, is 10 years less than for a non-Indian Canadian. The proportion of Indian children in child-care has risen to more than 5 times the national rate. Only 20 per cent of Indian students remain in school to the end of secondary level; the comparable national rate is 75 per cent. The unemployment rate among working age Indians is as high as 90 per cent in some areas. In Manitoba and Saskatchewan, native people represent more than 40 per cent of the prison population, while their proportion of the general population is less than 10 per cent. The overall rate of violent deaths among Indian people is more than 3 times the national average.

In summary the attendant indices of sub-standard housing, illness, violence, anti-social behaviour and dependence on welfare, for Indian communities are all far above the rates for Canadian society as a whole. DIAND statistics indicate increasing expenditures and greater quantities of physical assets and services committed to Indian communities. However, the statistics also confirm the fact that Indian people have lost control over their future.

There is a crisis of social breakdown on many Indian Reserves in this country far more severe than that described by the word "underdeveloped". The tragedy is that there is no evidence of improvement in this intolerable condition in spite of increasing Government expenditures. (Beaver 79 p. 23)

B. The Indian Act

The Indian Act of 1876 delineated the responsibilities of the federal government that had been established by the British North America Act. It codifies certain rights and obligations of status Indians and lands reserved for Indians. The Act serves as it has for the past century as the central pillar of Indian-Government relationships, touching virtually every aspect of their lives and providing a comprehensive mechanism of social control. Up until the early 1960's, the Act was administered on reserves by the Indian Agent, the "white chief", whose job it was to care over the day-to-day lives of the Indian in order to bring their way of life into line with the policies that have been decreed in Ottawa (Manuel & Posluns 75 p. 54). Although the Agent is no longer a resident on the reserve the legislation governing Indian Bands today bears a close resemblance to the Act passed in 1876. It continues to serve the needs and

priorities of the federal government, and gives the bureaucrats in DIAND the power to administer programs to and for Indians with or without their approval, knowledge or consultation (Cardinal 69 p. 44). Instead of implementing the treaties and offering much needed protection to Indian rights, the Act subjugated to colonial rule the very people whose rights it was supposed to protect (Cardinal 69 p. 43).

The federal government responded with what it believed to be the "Final Solution" to the Indian problem, the White Paper of 1969 (Burke 76 p. 1). The government appeared convinced that its policy paper provided the framework within which the Indian community could participate fully in the Canadian way of life and would be able to share equally with others in the material satisfactions and rewards that an affluent economy has to offer. The government believed that special rights had been a major cause of the Indians problems, thus equality or non-discrimination was the key ingredient to the solution. The goal of equality was to be achieved by terminating the Indian Act and DIAND, and by transferring to the provinces the responsibility for administering services to Indians. Indians with Indian problems would become provincial citizens with regular citizens' problems (Weaver 81 p. 4).

The White Paper failed to offer reasonable solutions to the problems Indians were facing. Its only innovation was termination, a policy designed to eradicate all special Indian rights. It became a policy paper that was not only rejected by the Indian community but also served to intensify their distrust of the government. The White Paper became a powerful catalyst of the Indian movement, giving them

cause to organize against the government and reassert their separate-ness.

C. DIAND's Mandate

DIAND has become the administrative arm of that century old piece of legislation, the Indian Act. The Department's mandate is to provide for the delivery of services to status Indians and Inuit communities, assist them in acquiring employment and business skills, and ensure that lawful (including treaty) obligations, are met (DIAND, 1983. Annual Report 1982-83). Unfortunately, the Department has inherited, and itself contributed to, a legacy of distrust on the part of its clientele, distrust which undermines daily the efforts of its staff to achieve its mandate (Ponting & Gibbins 80 p. 133). It still perceives itself as the only agency that should or could develop policies, apply, administer and deliver programs and, in general regulate and control almost every aspect of Indian political, economic and social life (Beaver 79 p. 47). Its clientele are estimated to be 360,000 status Indians and some 28,000 Inuit. The majority of Indians are concentrated in north-western Ontario and the four western Provinces. The Inuit are located primarily along the Arctic and Labrador coast.

Government of Canada expenditures on Indians represent approximately 1.7% of the total federal budget. As a percentage of the federal budget, it has remained fairly constant since the early 1970's. Some 80% of the Indian budget is allocated through DIAND, with other federal departments such as HWC & DREE spending a major portion of the remaining 20%. The expenditures within DIAND can be broken down into five main activities, as identified in Table 3.1.

Table 3.1

DIAND EXPENDITURES BY ACTIVITY

Activity	\$ millions 1970/1971	(%)	\$ millions 1978/1979	(%)
General Program Admin.	12.4	(5.4)	49.6	(7.5)
Policy and Research	2.6	(1.1)	6.5	(1.0)
Economic Development				
Non-Capital	8.0	(3.5)	43.4	(6.6)
Capital Expenditures	2.2	(1.0)	.0	-
Community Affairs				
Admin. & Band Management	7.9	(3.5)	46.3	(7.0)
Social Services	51.1	(22.4)	147.2	(22.4)
Housing & Capt. Expend.	39.3	(17.2)	99.9	(15.2)
Education				
Non-Capital	87.4	(38.3)	231.7	(35.2)
Capital Expenditures	17.4	(7.6)	34.1	(5.2)
Total Expenditures	228.4	(100)	658.6	(100)

Source: Financial Management Reports, DIAND cited in Indian Conditions: A Survey 80 p. 111

As noted, the major areas of expenditures were and remain in the areas of education i.e., student fees to the provinces, and in the area of social services i.e., welfare and child care payments. These two areas accounted for 57.6% of DIAND's total budget in 1978/79. Capital expenditures on housing and community related infrastructure remained a significant expense. Expenditures in the economic development area remain a relatively small portion of the total budget. Although rising to 6.6% in 1978/79, it was reduced to 5.5% in 1982/83.

D. Criticism of DIAND

The Department's activities and expenditures continue to focus on the symptoms (i.e. welfare, child care, poor housing) rather than the causes (i.e. lack of opportunity), an obvious pre-occupation with the

consequences of underdevelopment. The expenditures therefore have little impact on the socio-economic conditions of the Indian community. If the Indians are ever to regain control over the basic decisions affecting their everyday lives and their communities, DIAND's function must change to a supportive and resource providing agency for development. The Department must become a developmental agency, it must change from controlling the lives of the Indian people to assisting and providing them with resources for development. It must learn how to help Indian people help themselves (Beaver 80 p. 8).

The social control function performed by DIAND has come under much criticism (Cardinal 77, Beaver 79, Ponting & Gibbins 80). This function originally involved indoctrinating the Indian with Euro-Canadian ideology in order to prevent "deviance" from their traditional practices and to restrict their movement off the reserves. Today it has been replaced with socio-fiscal control: the provision of money is deemed to carry with it the right to specify how, for what, and by whom it will be spent, the right to demand proof that funds have been spent accordingly and the right to withhold funds (Ponting & Gibbins 80 p. 124). This neo-paternalistic form of protectionism, wherein Departmental staff "drag their heels" on turning over greater financial responsibilities to Indians, leaves them in a state of continued dependence (Ponting & Gibbins 80 p. 124). The intent of this practice is the belief that this is the best for the Indian. Unfortunately it works counter to the mandate to foster development and responsibility.

As long as we retain a system where the white man through the Government run their (Indians) affairs they are in a dependent position. Not only is

that colonialist but it spawns all kinds of the social and economic problems. We must recognize the right of Indian self-determination (Allmand quoted in Winnipeg Free Press. Jan. 15/83).

The Standing Committee on Indian Affairs & Northern Development (SCIAND) received authority from the House of Commons in August 1982 "to examine the Government of Canada's total financial and other relationships" with Indian people. In October 1983, the Committee tabled its report. Its findings indicated that the social conditions of the Indian people demand immediate attention; that most Indian communities across Canada are characterized by abject poverty, malnutrition, poor health, high infant mortality rates, minimal education, and economic underdevelopment. As Beaver had stated in his report, the Committee found that current federal policies and institutions are operating to reinforce Indian poverty and dependence, rather than promoting self-sufficiency and self-determination; that ending dependency would stimulate self-confidence and social regeneration (House of Commons, 1983. Indian Self-Government in Canada p. 40-41). For the rebirth of their society to be meaningful, the Indian peoples in Canada must control their own affairs.

CHAPTER IV

DIAND'S CAPITAL DELIVERY SYSTEM

A. Capital Planning Process

DIAND has one of the largest capital construction programs in the federal government, spending in the area of \$230 million annually on Indian communities. Control and the financial management of this large budget is of major concern to the Department. To ensure that its capital expenditures have the maximum scope for meeting the needs and aspirations of the Indian communities, DIAND has developed a Capital Management System (DIAND 1981. Capital Planning Process). The components of the system are identified in Figure 4.1. The capital plan constitutes the basis of the Capital Management System and is defined as a 5 year plan resulting from physical assets planning which identifies the resources needed to acquire, develop and dispose of physical assets for DIAND. The Capital Planning Process is intended as a tool by which Indian communities can co-operatively formulate their capital plans for Departmental funding and effectively and fairly meet their common goals. The process is based on the assumption that community planning will be a pre-requisite for the formulation of a capital plan and that individual capital projects will be defined, co-ordinated, and prioritized according to a community plan. The implementation of projects will thus be influenced by factors and criteria which are intended to

ensure that the greatest needs are met first.

Another component of the Capital Management System is the Project Control System which is defined as the monitoring and reporting on the overall capital program as well as individual major projects (DIAND, 1981. Capital Planning Process). The Project Control System has been developed to provide the operational control of activities associated with a capital project, i.e., the identification, planning, design, construction and evaluation phases of individual projects. The approach used by DIAND in planning and co-ordinating the development and implementation of a specific capital project is referred to as the Project Management System. Treasury Board Circular 1975-117, defines Project Management in the following terms:

....the centralization of the management of an entire project, potentially from the initial conceptual planning through programming, budgeting, design and implementation by a single responsible Manager to whom resources are especially dedicated for the duration of the project.

The activities that take place during the course of a project's development are illustrated in Figure 4.2. This figure shows the activities that occur in each stage of the implementation process from the development of the capital plan to the operation of the facility by the user. The Project Control System establishes the minimum requirements for the management of all DIAND funded capital. Its intent is to ensure the involvement of Bands in a meaningful way in the development and implementation of capital programs and to ensure that DIAND managers remain accountable for public funds allocated to capital projects. The requirements/

Source: DIAND, 1983. Project Management Manual.

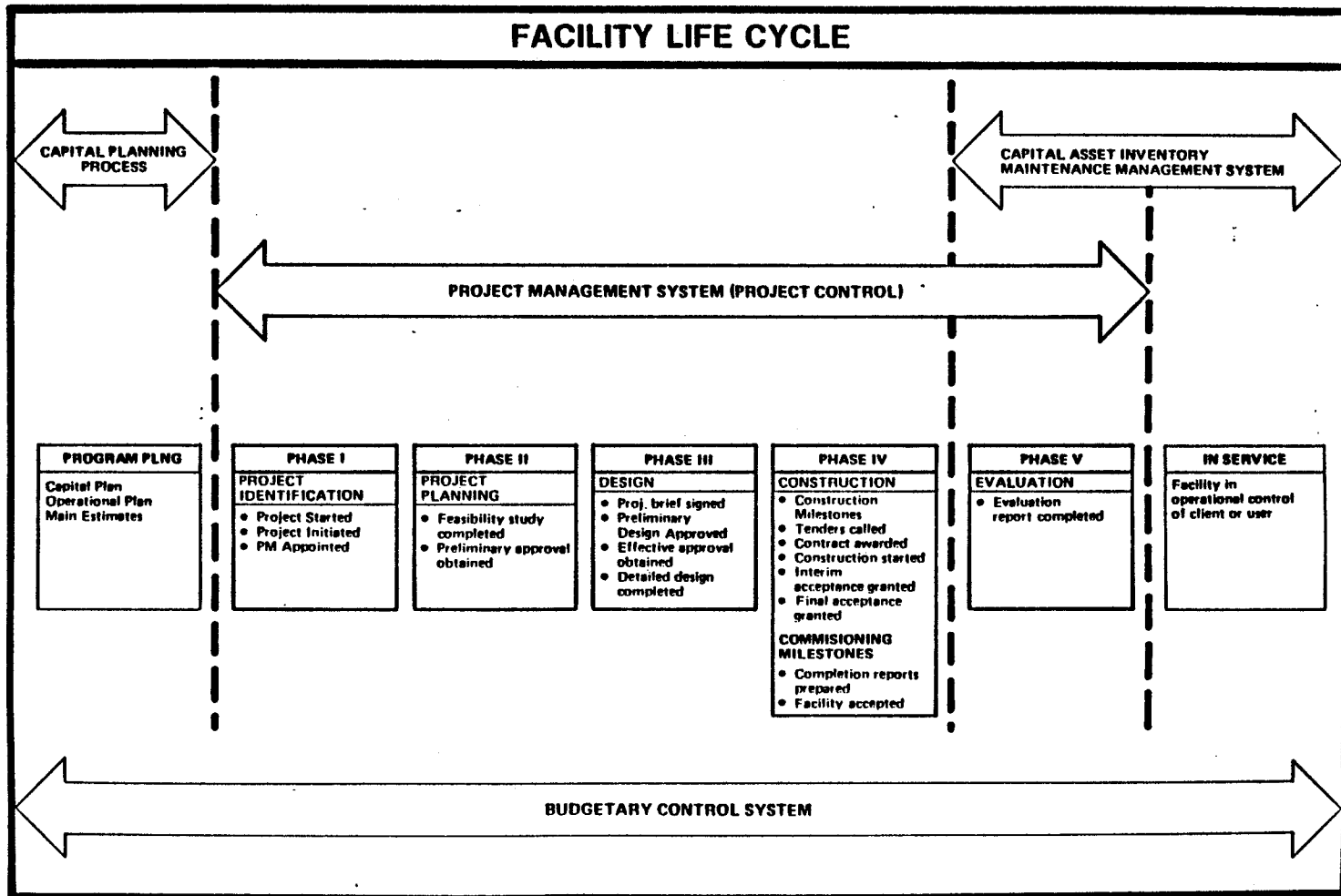


Figure 4.2

responsibilities of the main actors involved in the implementation of capital projects are summarized in Table 4.1.

Table 4.1

ROLE OF THE MAIN PARTICIPANTS IN THE DELIVERY OF CAPITAL PROJECTS

Actor	Responsibilities/Requirements
Band Council	Identifies the need. Approves the project at critical phases. Identifies the resources available for project implementation. Is the end-user of the facility
DIAND Program Manager	Manages the program of which the project is an element. Identifies the basic need which the project is intended to meet. Prepares the initial terms of reference for the project including ceiling costs, target date and functional requirements. Provides the project manager with the expenditure authority for the project.
DIAND Project Manager	Is responsible for ensuring that the project is successfully managed. Ensures the involvement of the Band in the project implementation process. Defines the precise scope of the project. Directs the allocation and expenditure of project funds. Produces a facility which meets end-user requirements within established goals for cost, completion date and physical parameters.
PWC Design & Construction Co-ordinator	Is responsible for design and construction. Consults with DIAND with regard to human and physical resource requirements for project implementation.

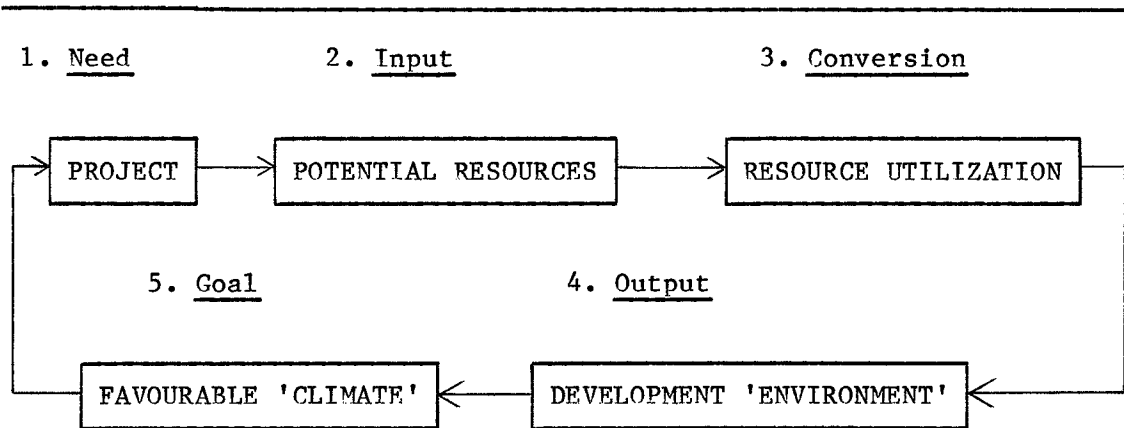
In theory, the system that DIAND has in place appears to offer a comprehensive approach for implementing capital projects. It has the potential to ensure that a project will not only be successfully completed but also be in line with DIAND's explicit objective and goal:

In keeping with the principles of self-development, access of opportunity, responsibility and joint participation within Canadian Society, to assist and support Indian and Inuit in achieving their cultural, social and economic needs and aspirations.....(DIAND, 1981. Objectives and Goals 1979-80).

Figure 4.3 illustrates the holistic perspective of DIAND's capital planning approach in a systematic format.

Figure 4.3

CAPITAL PLANNING/COMMUNITY DEVELOPMENT



1. Need: Project
 - a) The requirement for a new school is identified.
 2. Input: Potential Resources
 - a) The potential human and physical resources from the community are explored.
 - b) The financial resources (Treasury Board), management resources (DIAND) design and construction expertise (PWC) and local resources (Band), are tapped.
 3. Conversion: Resource Utilization
 - a) The utilization of all potential resources is put into effect, i.e., train and harvest local resources, adapt appropriate local and external technology.
 4. Output: Development 'Environment'
 - a) A new school is completed - students now have immediate access to education facilities.
 - b) It has a multiplier effect/spin-offs: a community success story; local pride in having participated and completed a large project; major portion of construction activity dollars remain in community; training and skills acquired, and the development of local physical resources.
 5. Goals: Favourable 'Climate'
 - a) DIAND moves closer to its overall goal, i.e., improved conditions on the reserve and greater self-sufficiency.
 - b) There is motivation by the band to continue to use their acquired skills and their developed physical resources to initiate action on the other projects and continue to improve conditions in the community.
-

Source: A Modification of the Systems Analysis Procedure, see Catanese & Steiss Systematic Planning: Theory & Application 72 p. 13.

A major school project, implemented within the framework presently in place, does have the potential to play a catalytic role in improving conditions on a reserve. Unfortunately, however, besides a school being provided, few other benefits accrue to the community. The spin-offs from these large capital expenditures have not been realized in most communities that have gone through the process. A favourable climate for development has not occurred. Some of the reasons for the failure will be elaborated on in the remainder of this chapter.

As previously noted, the Capital Planning Process is based on the assumption that the community requesting the need for a large capital project has a community plan in place. Unfortunately the extent to which community planning has been undertaken on reserves is somewhat limited. Few Indian communities have a statement on their existing development pattern, their needs for improvement, or the development potential of the reserve: Nor have they determined what improvements are required and how opportunities for development should be fulfilled. In effect, few have determined how to use the allocated capital funds to maximize the quality of life in their community or what the social and economic consequences of the resultant development projects would be. Where community plans have been prepared, the document tends to be shelved soon after completion. It is often seen as a document of the previous Band Council, or a study prepared by a consultant with little or no community input, or the Band Council may have become frustrated in its attempts to have DIAND assist them in implementing their community plan and thus shelved their plan.

The extent to which the Band and the Department co-operatively formulate capital plans for DIAND funding is limited. In the late 1960's and early 1970's, when the exercise was first introduced, both Band Councils and Department field representatives treated the exercise of identifying, substantiating, and prioritizing the communities capital needs with some enthusiasm. However, failure over the years by DIAND to meet the Bands' capital requirements, which were and remain immense, has weakened the credibility of the exercise. Capital plans, which have been formulated as a result of the community planning process, unfortunately remain limited. As a result, it is questionable whether capital projects that are being implemented are based on the community's needs or on needs perceived by DIAND; whether physical development is fully co-ordinated with the social and economic objectives or whether alternative solutions to the community's problems have been fully explored. In addition, there remains the implementation of projects not technically or financially feasible; improper project substantiation, prioritization, phasing and co-ordination within individual communities; perceived unfairness in funding allocations and excessive Band lobbying; and a lack of an explicit and common understanding of what are actual Bands needs as opposed to Band wishes. (DIAND, 1981. Capital Planning Process). A review of the goals and objectives of the actors involved in the planning and implementation of a major school project, provides further evidence, that the input of substantial capital expenditures is not accomplishing its objectives (see Table 4.2).

Table 4.2

GOALS OF THE ACTORS INVOLVED A SCHOOL PROJECT

Actor	Goal/Objective
Band Council	<p>As elected officials their primary objective is to get the best school for their community.</p> <p>- the utilization/development of local resources is a secondary to minor objective.</p>
DIAND-Program Manager	<p>As the manager responsible for the Education Program his primary objective is to assist and support Indians in having access to education programs and services.</p> <p>- the utilization/development of local resources is a minor objective.</p>
DIAND-Project Manager	<p>As the manager responsible for the project, his <u>primary objective is to ensure an end product that fully satisfies the need within a given time and at a specified cost.</u></p> <p>- utilization/development of local resources is a minor objective.</p>
Public Works Canada - Design/Construction Co-ordinator	<p>As the agency responsible for the design and construction of the project, their primary objective is to have a structure erected, i.e., to put a system together that functions and is more or less stable under use within a specified budget and time frame with 'known' resources.</p> <p>- utilization/development of local resources is a minor or irrelevant objective.</p>

As noted, the primary objective of all the major actors involved in the development process is directly related to putting the facility

in place, not the utilization and development of local resources. Local resource development is a secondary or irrelevant objective. If the objectives of the DIAND Project Manager and PWC, the main actors, are not related to the utilization/development of local resources, the only benefit that the community will realize is a new school structure. A review of the development process of a typical school built on a reserve in Northern Manitoba will support this assertion.

B. The Oxford House School Project

On February 21, 1973, PWC awarded a contract for the amount of \$1,642,000 to Baert Construction Ltd. of Winnipeg to build the Oxford House School Complex. The project which included a K4-G9 school, 10 staff accommodation units, a water and sewer system, and a fuel farm, was to be completed by July 15, 1974 (DIAND, 1978. Oxford House School file). A brief description of the environment in which the project was implemented is required, prior to listing the major problems which occurred during the design and construction phase of the project.

Oxford House is a community with a population of about 1000, located at the source of the Hayes River some 575 kilometers north-east of Winnipeg. Access to the community is limited to air travel and a winter road. Typical of Northern Manitoba reserves, the Band has a youthful population with 44% under 15 years old. Approximately a third of the housing units are deemed to be in poor condition requiring immediate replacement. Over 50% of the houses are considered to be overcrowded, in most cases occupied by more than one

family (Kremers 79). The majority of residents haul their water from the lake by pail. As Kremers noted in his study, the employment situation has always been bleak for a large majority of the work force, which was estimated to be 332 in early 1979. At that time there were some 50 full-time jobs (school, Hudson's Bay Company, Band Council, nursing station) and about 185 part time or seasonal employment opportunities (fisheries, trapping, sawmill, and winter road). The average unemployment rate was estimated to be approximately 62%.

It would be naive to suggest that merely by changing the technique of building a large project such as a school, one could solve the social and economic problems of the community. Likewise, it is also naive to infer that reserves in Northern Manitoba have all the skills and materials required to put a school in place. Nevertheless, it is imperative that the process of building a school be responsive to community needs if it is to produce a better quality environment. A summary of the major types of problems that occurred at Oxford House and which have re-occurred in the implementation of other DIAND school projects within the past 10 years is listed in Table 4.3.

Table 4.3

A SUMMARY OF THE MAJOR PROBLEMS INCURRED DURING THE DESIGN AND CONSTRUCTION PHASE OF THE OXFORD HOUSE SCHOOL PROJECT.

PWC ignored DIAND's design guidelines, approved budget and time frame.

The community was not involved in the development of the design produced by PWC.

The contractor experienced difficulties in moving equipment and material to the site over the winter road - much had to be flown in.

Foundation problems occurred as a result of inadequate soil and site data, plus machinery not being available, and equipment breakdowns, i.e., only 8 of the 45 timber foundation piles attempted, were driven in successfully; a total of 248 were required to complete the foundation structure.

Delays caused by foundation problems and material shortage resulted in the major construction framing and closing in of the building to be undertaken in winter months.

There were constant material shortages and the contractor had difficulty in recruiting qualified tradesmen and operators.

The PWC Design/Construction Co-ordinator was replaced 3 times during the life of the project because of unsatisfactory work and progress.

The contractor went bankrupt. The project was completed through the bonding company which claimed a loss of \$2,163,000.

A final Certificate of Completion for the project was issued on April 25, 1977, somewhat behind the scheduled completion date of July 15, 1974.

Source: DIAND, 1978. Oxford House School file.

Many if not all of the problems identified in Table 4.3 could have been avoided if the designer had first identified the locally available materials and labour and based the design upon maximizing their use. The Oxford House Band had many of the resources required to put a school in place; to put the stamp of their own resource endorsement and personality on the project. However, there was little effort made to determine:

What skills and tools are available to the community and what are the local resources to meet locally defined needs for goods and services by means of technologies appropriate to the community (Beaver 79 p.6).

Extensive use was made of skills and materials foreign to Oxford House, while the local labour force and materials were under-utilized. There were costly expenditures involved in recruiting, transporting and housing an outside labour force. Similarly, there were exorbitant freight charges for imported lumber, which could have been supplied by the local sawmill. Local concrete aggregate was eventually used for the foundation structure, but only after costly attempts to install timber piles failed. The foundation blunder cost DIAND an extra \$265,000; it cost the contractor an extra \$1,400,000.

Unfortunately, many of the problems encountered at Oxford House were also experienced during the implementation of the Split Lake and Nelson House schools. Both of these schools were implemented during the same period. The availability of local resources is still not being identified prior to design. A major concern identified in the 1982 DIAND-PWC study of the six major school projects implemented in Manitoba and Saskatchewan was that the inadequate planning and organization of a DIAND/PWC team approach resulted in no role

definition, no resource planning, inadequate costing, no feasibility analysis, poor communication, etc. (DIAND, 1982. Capital Program Implementation Process). Schools continue to be implemented with a maximum dependence on imported material and skills. For the Indian community this represents an export of the benefits that could be acquired from the major capital investment of a school project. This leads to the under-utilization of local resources, which in turn limits the development of the community's technical and cultural capacity, as well as its mental and physical health. It contributes to an environment of misery, social marginalization and backwardness.

C. Self-Reliance

A pre-condition specific to the requirements of overcoming underdevelopment is the dynamic convergence of resource use and community needs. An organic link between the pattern and growth of the community's resource use and the pattern and growth of its demand is imperative to becoming self-sufficient. The dependent state of the Indian community has resulted in part from its reliance on "foreign" technology and decision making, and persistent income drains. The convergence of resource use and the needs of the community will give an economic system its internal autonomy and determine its capacity for sustaining growth and development. It is part of the struggle to make the material environment serve the community's needs. (Thomas 74). A community's first priority is the adoption of its own resources for its own needs and only thereafter can the community develop both economically and socially. Unless it

is capable of using its own basic materials for producing its basic requirements, then in a dynamic context it remains underdeveloped. Rather than being independent of the social system, project planning choices have to reflect both the domestic resource availability and the cultural traditions of the community:

.....in terms of sheer ability to be organized as an activity of mass involvement, self-help, and community endeavor, there is nothing superior to basic construction activity (Thomas 74 p. 263).

It is naive to suggest that construction activity involving self-help and community programs only brings benefits and is costless. On the contrary, from a social stand point there is always a cost that arises from any attempt to bring human and other resources to bear on the provision of the community's needs. It is the social evaluation of those needs that determines the true benefits of such activities; it has an obvious and direct impact on the standard of living and also fosters great pride and sense of achievement within communities (Thomas 74). The implementation of a large construction project in a remote settlement does provide unparalleled opportunities for the convergence of community needs with community resources:

Its natural resource content is flexible and therefore amenable to planning to conform to the natural resource endowments. And its combination ratios of equipment and labour are flexible, again allowing for adaptation to emerging scarcities. Finally its scale of operations is flexible without significant changes in the economies yielded, allowing for considerable location of adaptation (Thomas 74 p. 263).

As noted, Indian communities are in too desparate a state to assume an observer role in the implementation of the school facilities. The productive capability of these communities will continue to be seriously handicapped if they do not participate in these once-in-a-

life time major projects. It is thus imperative that the method of implementing major school projects be conducive to accomplishing the improvement of the material condition of the community, creating employment opportunities and, thrusting the community in the direction of self-sufficiency. The method of implementation should have as its objectives, the following four goals:

- (a) maximizing employment opportunities for Band members;
- (b) maximizing the use of local material in building, equipping and operating the school;
- (c) minimizing the use of materials, tools, skills and equipment foreign to the community and;
- (d) minimizing the negative environmental impact on the community.

D. Appropriate Technology

The past construction experience of most residents of the Northern Manitoba Bands has been limited to the building of houses and wood frame structures i.e., community store, nursing station, warehouses, community hall and temporary classrooms. The implementation of major capital facilities should, therefore, be in line with management and construction skills previously acquired and utilize resources with which the respective communities are familiar. We must find out what the community is doing and help it to do it better.

Appropriate technology refers to any technology which satisfies the requirements of the social, economic, resource and natural environment in which it is to be used. It has evolved in response to the need for the creation of employment and basic community services on a large scale at affordable levels of cost. Its philosophy is human development, designs for low cost labour intensive processes,

techniques for the transfer of technology, the promotion of innovation and the general understanding of the need to involve people in all aspects of development (Schumacher 73). The key to appropriate technology decisions lies not so much in the choice of the technology itself as in developing a precise definition of the real issues that need to be faced (Lewis 80). The basic assumption is that the technology must be adopted to the situation in which it will be used rather than vice-versa. Establish the conditions in a given area first and then relate these conditions to the particular development goal sought. As Schumacher notes, only then will you be able to determine the best "fit", the most appropriate technology - one which is compatible with the environment, the resources, and the socio-economic needs (1973).

In communities like Shamattawa, it is imperative that the approach adopted in implementing \$10-11 million of capital infrastructure create possibilities for self-reliance and self-help or a situation of hopelessness will continue to exist. Like Nyerere's ujamaa villages, Indian communities will only develop through the self-reliant activities of its people: its growth and development must be from its own resources. The community must;

tap and draw upon its own internal and traditional resources and it is only to the extent that these can be further improved, developed or complemented from external sources should external relations be encouraged and sustained (Mabogunje 80 p. 323).

The predominant use of local resources in all sectors of community development with a commitment to technological choices consistent with local resources is essential if the community is to become self-reliant.

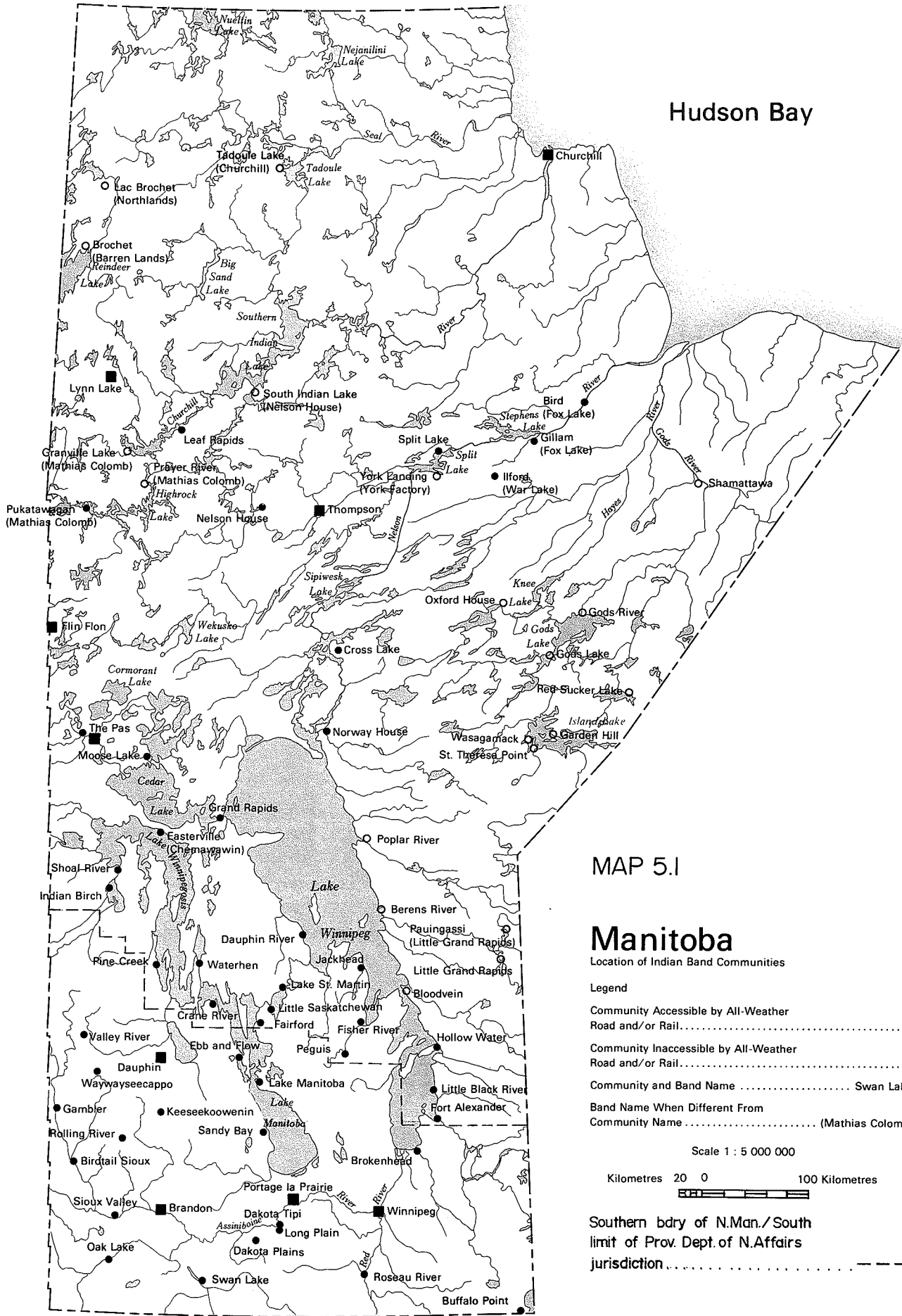
CHAPTER V

NORTHERN MANITOBA

A. The Region

Northern Manitoba extends northward from a line drawn between the Winnipeg River and a point south of The Pas on the Saskatchewan border up to 60°N latitude. The region represents some 210,000 square miles, or over 80% of Manitoba (see Map 5.1). Within this area are 40 Indian reserves under the Federal jurisdiction of DIAND; 49 predominantly Métis/Non-Status settlements and 10 resources centers under Provincial jurisdiction. The latter 10 'white' enclaves have a total population of some 55,000, the Indian communities have a total population of approximately 30,000, while the Métis settlements total some 10,000.

The region has been a frontier outpost of a 'foreign' metropolis since the establishment of York Factory in 1672. The extraction of the region's staples, its furs, lumber, fish, minerals and hydro has not led to development but to the perpetuation of colonialism and underdevelopment. Staple extraction from the region has had little to do with the needs of the people of the region. They are exploited for and subject to external demands. The Indian who trapped the fur benefitted little while subjecting his community to social and environmental degradation, while the fur trade companies amassed a fortune:



The Hudson's Bay Company appropriated such enormous surpluses from the fur trade that it is now a major retailer, real estate developer and shareholder in the oil and gas industry. (Watkins 77 p.90)

A foreign metropolis continues to supply the factors of production, i.e., capital, labour and technology required to extract the staples from the region, while the factor returns from the staples continue to flow out of the region. The Indian benefitted little from Manitoba Hydro's development schemes of the 1970's. In fact the Crown corporation's grand scheme to provide Manitobans and anybody else who wants it, with 'cheap hydro electric power' has inflicted heavy damage on the resource base upon which many Indians are dependent. Ironically, many Indian communities are still denied access to Hydro's cheap power and remain dependent on costly diesel generators, while Hydro exports the energy staple at a loss to the United States. The economy and way of life of the Indian population have been devastated not only by the losses of the staple and its economic surplus but also by the socio-environmental impact of its exploitation.

B. Socio-economic Environment of the Indian Community

The situation of the Indian in Northern Manitoba is well summarized by Watkins in his reference to the Dene of Northern Canada:

The ultimate hallmark of underdevelopment is marginality. Economically, it manifests itself as poverty, unemployment and welfare. Socially it manifests itself in alcoholism, family breakdown and suicide. Politically, it manifests itself in feelings of hopelessness and apathy (Watkins 77 p.92).

Like the Dene, the Indians remain, as Hawthorn stated in 1966, unquestionably a disadvantaged, high-cost general-assistance group.

The resource centers in Northern Manitoba are established primarily in areas removed from Indian reserves. The residents of these resource enclaves enjoy the services and conveniences of a modern city at the site of a major job opportunity. As DREE notes in Manitoba's Changing Northland:

These services are essential to their existence as they are from countries which share an acceptance of the industrial way of life.

Are these services not essential to the Indian community? The transportation system which has been developed in the region provides the resource towns with convenient access to their external markets and the services of the larger centers while the Indian community remains virtually isolated. Basic community services such as education, health and recreation facilities as well as such basic infrastructure as a piped water and sewer system are lacking on most reserves. Living conditions for Northern Manitoba's estimated 55,000 non-native population is in sharp contrast to that experienced by the majority of native residents; maldistribution, a central fact of underdevelopment, is very much apparent in Northern Manitoba.

The situation on reserves is deplorable. The Indian community does not enjoy the services and conveniences of a modern city nor the swell of development activity. The lack of development is highlighted by the extent to which the community is dependent on government hand-outs. DIAND files indicate that for the period from April 1980 to March 1981, an average of 77% of the reserve residents were social assistance recipients or some 21,867 (includes dependents) out of a total on-reserve population of 28,501. Of the 21,867, approximately 14,300 (65%) were social assistance recipients due to lack of

employment opportunities, the remaining 7,567 (35%) because of age or health reasons. Therefore, on average only 23% of those living on reserves secured an income from a job during the period under review. On 5 of the 40 reserves an average of 5% or less were employed, while on 18 reserves the average was 20% or less. Approximately two-thirds of all on-reserve jobs in 1981 were part time (5%) or casual/seasonal (58%) and one half of the full time jobs were with one of the three levels of government, i.e., local, provincial or federal.

The future for the residents of Northern Manitoba's 40 reserves continues to look bleak. DIAND demographic statistics indicate that the full brunt of the Indian baby boom is currently becoming an eligible part of the labour force. As DIAND notes in its Operational Plan: Manitoba Region 1983-87, the most significant factors affecting the Indian situation in the province are the rapid growth of the young adult population and the continued poor economic conditions. With few job opportunities both on and off the reserve the already astronomically high levels of unemployment are likely to be exacerbated. The 15-29 age group are not only seeking employment but are also entering the family formulation stage and making increasing demands for an already short supply of housing. Compounding a bad situation on the reserves is the fact that the Indian population growth rate, which was showing signs of declining in the mid-seventies, has once again increased and is presently over 3% per annum. An already fragile, resource poor environment is being taxed to its limit, and with the trend to remain on the reserve, a bad situation can only get worse.

It is thus not surprising that many Indian students see little point in getting an education which would prepare them for jobs which do not exist (Stevens 82). The retention rate for completion of secondary school remains low, 10.8% for Manitoba Reserve Indians versus 75.2% for the Canadian average. This high drop out rate will continue to limit the ability of Indian students to acquire post secondary training/education and in future limit their ability to provide the skills required for development within the community, or needed to gain employment in the main stream of Canadian society. Indian community leaders recognize and emphasize the need for an education as a means of both recovering the cultural values and skills of their society and securing the talents needed to survive and prosper in a non-Indian society (House of Commons, 1983. Indian Self-Government in Canada). The desire for a student to be educated on a reserve without an economy must remain if the Indian is to obtain the technical/managerial expertise needed to direct and manage her/his own communities.

The housing situation on many of the 40 reserves in Northern Manitoba remains in a desperate state. The last comprehensive housing survey undertaken by DIAND in 1977 revealed that of the 4084 houses, 2189 (54%) were in fair condition, 1,351 (33%) were in need of major repair/renovations and 544 (13%) needed to be replaced; few had indoor plumbing or adequate installation. A 1982 survey of all on-reserve houses in Manitoba estimated that of the 7,200 houses, 1,800 (29%) were in need of major repair or renovation and that an additional 1,400 units were needed. With a high percentage of the housing substandard, located in a severe environment, and subject to

over-crowding, the units generally require extensive repair/renovations every five years and replacement within 15 years. The housing backlog thus continues to grow rapidly.

Many of the communities remain without piped water and sewer systems. The reserves at Gillam, The Pas, Fort Alexander and Crane River have water systems servicing the townsite of their respective communities. For the other residents of these communities and the majority of Indians on the other reserves, potable water is obtained manually from an adjacent water body or watering point. Some eight communities have water delivered by truck to individual residences. Environment Canada in 1980 identified potential health problems due to poor maintenance practices prevalent on 28 of the Northern Manitoba reserves surveyed. To date remedial action has been limited primarily to the construction of some landfill sites and upgrading of the water delivery systems. A summary of the environmental problems is identified on Table 5.1.

Table 5.1

ENVIRONMENTAL PROBLEMS PREVALENT ON THE
28 NORTHERN MANITOBA RESERVES SURVEYED

-
1. **Problem:** 75% of the 98 fuel farms lacked adequate dyke protection to retain spillage.

Comment: Due to a dependence on diesel generators, fuel oil is used by the Crown, Hydro and the Hudson's Bay Company as their primary source of energy for power and heat.

Impact: An oil spill, usually results in the contamination of the water source.

 2. **Problem:** More than 50% of the communities lacked regular solid waste collection services.

Comment: The settlements are usually adjacent to a water body which is their source of water.

Impact: Much waste finds its way into the water body reducing the quality of the water.

 3. **Problem:** Pit privies remain the prime method of liquid waste disposal for the majority of Indian residences.

Comment: There is a high density of privies being used. This is compounded by the fact that many of the reserves lack adequate over-burden, or have a highly permeable over-burden or are in areas where permafrost conditions exist.

Impact: The presence of disease carrying vectors has increased.
-

Source: Department of Environment, 1980. Inventory of Environmental Problems in Selected Communities in Northern Manitoba

The poor maintenance practices identified in Table 5.1 and its potential for serious health problems is compounded by the fact that on 13 of the 28 communities, the majority of residents haul their water directly from the adjacent water source. In addition, the communities dependent on watering points or standpipes for their water source continually have to cope with systems that are inoperable for most

of the winter months.

The poor state of Indian's economic and living conditions and their physical environment is reflected in their health situation. Although the statistics below reflect the social conditions of all Manitoba Indians, an exclusive review of the 40 reserves within Northern Manitoba would undoubtedly reveal a poorer social state, as the southern Bands are comparatively better off than their northern brothers. As a group their post-neonatal mortality rate is 3 times the provincial rate and is largely attributed to respiratory, infectious, and parasitic diseases related to the inadequacy of housing, water and waste disposal systems on reserves. Their tuberculosis rate remains at 8 times the provincial average (DIAND, 1983. Operational Plan: Manitoba Region 1983-1987. The mood within the Indian community remains one of frustration and depression, as evidenced by the high number of violent deaths, family breakdowns, drug abuse and the number who are wards of a correctional institute. The shortcoming of their life style is very apparent to them as they exist adjacent to an affluent society. As note by HWC;

... the Indian Health Policy works, where we have more people taking responsibility for their own health, we cannot improve it simply by putting in more medical services....Accidents, violence and poisonings are the number one cause of death...It is difficult. It is a tough problem and it is almost out of our control. (House of Commons, 1983. Indian Self Government in Canada).

C. The Fur Trade

The establishment of York Factory in 1672 marked a turning point in the way of life of the Indian of Northern Manitoba. The Indian community moved from a self-sufficient state with a diverse economy

to one dependent on external resources for its well being. The gradual disintegration of the Indian way of life was recorded as early as 22 years after the establishment of the Hudson's Bay Company post at York Factory. Those who became the "middle men" in the fur trade, which after 1680 was increasingly oriented to York Factory, became the first to give up their independence and to be exploited (Ray 74). During the years 1694-1714, a period during which the French held York Factory, they tended not to come into the Hudson Bay with the same regularity as the British. As a result, the Cree, who had become dependent on guns, found themselves short of ammunition and vulnerable to attack from other tribes. James Knight, Chief Factor at York Factory in 1716, noted that the reason for their great loss in battle was:

that they had lost the use of their bows and arrows by having guns so long amongst them and when they were disappointed of powder shot which was often...They had no guns to defend themselves...(cited in Ray 74 p.21).

Knight considered this to be a great loss to the company since they were considered for trading to be amongst the "best beavour Indians". (Ray 74 p. 21)

Goods obtained at the trading post enabled the Indian to gain a livelihood more easily. It became easier to hunt the moose or deer and to trap the beaver. However, as noted by Innis the,

rapid destruction of the food supply and the revolution in the methods of living, accompanied by the increasing attention to the fur trade by which these products were secured, disturbed the balance which had grown up previous to the coming of the Europeans (1956 p. 23).

Dependence on the Hudson's Bay Company for clothing and shelter appears to have been well established by the mid-18th century. As

trapping activities diminished the population of the fur bearing animals, it became increasingly difficult to find enough skins and furs to make their clothing (Ray 74 p. 81). Economic necessity as well as the acculturation processes led the Indian to turn more and more to European clothing and shelter materials. In addition, there was also a dependence on weaponry, as noted by David Thompson in the late 1700's;

The Cree, who have had the longest connection with the Whites, now admit that they could no longer live without guns and marvelled at how their ancestors survived with only bows and arrows....(cited in Ross 73 p. 45).

By the late 1700's, the fur trade had left its mark on Northern Manitoba. The fur traders had moved out of the region into virgin territory, the Athabaska and MacKenzie districts, where the eco-system had not as yet been subject to extensive ecological degradation. In their wake they left a society marginalized and impoverished. As David Thompson noted in 1797:

Every intelligent man saw the poverty that would follow the destruction of the beaver...almost the whole of these extensive countries were denuded of beaver, the Natives became poor and with difficulty procured the first necessaries of life, and in this state they remain, and probably forever. (cited in Ross 73 p. 45).

By the 1820's, the people of Northern Manitoba had become increasingly dependent on the Hudson's Bay Company for all their essentials for survival. Moose and deer, their basic sources of food, had by 1824 been practically exterminated in parts of the region, making the Indian increasingly dependent on the fur trading post for their food supply during the winter. The Chief Factor at God's Lake in his annual report of 1827, suggested that since game was no longer

readily available, farming should be encouraged (Harris & Warkentin 74 p. 262).

Prior to contact with European society the people of Northern Manitoba were able to provide for their own needs directly from the land. The animals, fish and vegetation provided the materials for food, clothing, shelter, tools, weapons and medicine. Acculturation to the white society weakened the bond the Indian had developed with his environment for those essential needs. These needs progressively came to be provided by the Hudson's Bay Company in exchange for the furs. The collapse of the fur trade thus crippled his way of life. He had to return not only to the land and be confined to a greatly reduced land base that was virtually depleted of his life support resources, but a base that he had become alienated from. Chief Sweet Grass in his address on behalf of the Cree to Governor Archibald at Fort Garry in 1871, illustrates the total collapse of a once self-sufficient society, a predicament widespread among the Indians of the region:

we heard our lands were sold (Hudson's Bay Company to Canada) and we did not like it. Our country is getting ruined of fur bearing animals, hitherto our sole support and now we are poor and want help - we want you to pity us. We want cattle, tools, agricultural implements and assistance. (Ray 74 p. 228).

D. Mining Activity

The second staple of significance to Northern Manitoba is mineral extraction, which has been underway since the 1930's. The prime areas of activity are Thompson, Flin Flon, Leaf Rapids and Lynn Lake, with the main actors being Inco, Sherritt Gordon, and the Hudson's Bay

Mining and Smelting. The fate of the Indian has become irrelevant in the extraction of minerals from the region. Although not profiting by the fur trade, the Indian had played a major role. In addition to supplying the furs, he provided the food on which the trading companies subsisted, served as guides, porters, voyagers, interpreters and lived a life style essential to the fur trade (Innis 56 p. 236).

However, in extracting the mineral staple, the labour requirements are imported from outside the region as 'trained-disciplined labour'. Indian labour is considered to be raw and of little value to the mining companies. DREE cites the Indians as having difficulty in adapting to the work patterns of an industrial developed society, and having a lack of skills. They are thus unable to participate in the job opportunities of the region (undated). In 1975 they occupied less than 5% of the total mining labour force (Loxley 81 p. 12). The jobs that are open to Indians are unskilled, dead-end, often temporary and low-paying, thus discouraging employment:

Government training programs tend to prepare native people for these very jobs, thus offering "northern natives who are unemployed, under employed and impoverished, the opportunity to be unemployed, underemployed, and impoverished."
(Elais 75, cited in Loxley 81 p. 12)

The essential characteristics of this twentieth century staple trade has differed little from the earlier extraction of fur from the region. The minerals, like furs serve the needs of and are exploited by and for interests external to the region. The instrument of resource exploitation is a multinational corporation which is able to use the government as an instrument to further its needs and make all other needs subservient. The linkages from the mining sector to

other sectors of the region's economy are virtually non-existent as the staple is exported in a relatively unprocessed state. As the staple proceeds from the extraction stage through the milling, smelting, refining, fabricating and the manufacturing stages, the amount of activity in the latter stages declines significantly within the region. Like the fur traders of the 1700's who moved on to virgin territory once the beaver became scarce, the mine-owner will abandon the area in search of new investment opportunities once the mineral reserves are depleted and nothing will remain of the region's original endowment. The wealth of the region is thus slowly being eaten away as the people of the region become poorer. The staple as well as the economic surplus leave the region:

There is, however, no reason to expect that they (the economic surplus) will be re-invested within the staple-producing region which generated them, and every reason to expect that they will not be re-invested in the region in other activities that serve local priorities. (Watkins 78 p. 89)

E. Hydro Electric Power

In the early 1970's Manitoba Hydro began to implement the Nelson River Hydro Electric Project. The program included a generating system at Kettle Rapids, a high voltage transmission line from the Nelson River to Winnipeg, regulation of the outflow from Lake Winnipeg, and the diversion of substantial flows from the Churchill River into the Nelson River. The harvesting of the energy staple from the Churchill-Nelson River systems, two of the largest rivers in Canada, had a major impact on the Indian community in Northern Manitoba.

Construction of the multi-billion dollar Churchill-Nelson River

development scheme commenced in May 1973, two years prior to the completion of the Lake Winnipeg, Churchill and Nelson River Study Board's report. The Study Board, which was set up in August 1971, was to determine the socio-economic and environmental impacts of Hydro's development scheme. As the Manitoba Environment Council noted in its brief to the Tritchler Enquiry:

For a scheme that was to be one of the largest of its kind in the world, the impact studies were merely a compilation of existing data carried out in 3 months by a consulting firm (Tritchler 73 p. 202).

Hydro attempted to justify its development scheme on the grounds that Manitoba's power needs would continue to grow and that its sole responsibility was to fill that need using the cheapest power resources available. Thus, according to Hydro the power sold would be water that would otherwise be wasted. Hydro ignored the externalities of pollution, distortion of the environment, the impact on the Indian community, and the economic cost of committing enormous quantities of real resources - capital, labour and materials (Tritchler 79 p. 202). Newbury and Mahaler, were amongst those who challenged the feasibility of the development scheme:

Nowhere is the cost of the loss of the Churchill River calculated. Its existence, esthetics, native community options, ecology and unique role of creating a liveable environment in an otherwise harsh land are considered to be worthless in the energy budget. (1973)

Hydro's attitude to the native community as a whole is probably best exemplified by Martin, the legal counsel to Hydro, in his August 1, 1975 position paper for the provincial government:

The whole project can be completed and can be in operation without Manitoba Hydro coming to terms with the Indian people of Nelson House (Tritchler 79 p. 215).

What concerned the Indian community was the damage that the harvesting of the power staple would have on their already weakened resource base. In reviewing the impact that the exploitation of the staple has had on the Indian community, it is apparent that it has done much to perpetuate the dependent state of a significant part the Indian community, as at Cross Lake, Norway House, Nelson House, Split Lake, York Landing and South Indian Lake.

The regulated fluctuation of water levels by Hydro has resulted in a drastic increase in turbidity levels, levels above those considered acceptable by Canadian drinking water standards. To render the water safe for human consumption now requires full chemical and physical treatment. In addition, under natural conditions monthly water flows past these communities were highest in summer. However, since the controls have been put in place, flows have been completely reversed. Thus, with greatly reduced summer flows, the dilution of discharge and surface borne wastes (which is at its peak during the summer) has been impeded. The increase in bacterial count caused by low summer flows is particularly critical in view of the fact that most residents receive their drinking water in its raw state and depend on the water resource for part of their food supply.

The Manitoba Environment Council in its brief to the Tritchler Inquiry stated that as a result of Hydro's development scheme:

Fisherman have stated that they have been unable to find the top quality fish in traditional areas...fishing is becoming a less profitable venture due to increased expenditures of time and energy coupled with a decreased quality of harvest. (1979)

The fish harvest made a significant contribution to the local economy of the Indian communities along the Churchill-Nelson river system. A further setback to the industry has resulted from increased levels of mercury found in the fish samples from various parts of the system; levels which are close to the safety limits for human consumption, making closure of some operations a possibility. The fluctuation of the water levels has also made it impossible for aquatic fur bearing populations to re-establish on a permanent basis. This has resulted in serious disruption of the traplines along the system, altering the life styles of the trappers and constituting a further loss of opportunity.

The Indian community benefited little in the way of jobs from Hydro's development scheme. During the three construction years of the Lake Winnipeg controls, an average of 100 residents from Cross Lake were employed on the project. Most were hired as unskilled labourers and represented less than 10% of the total workforce at the site. In fact, the employment opportunities in the area probably had more of a negative effect on the community. The influx of the outside construction workers to the area resulted in the moose population and other sources of bush food being overharvested through hunting (Lake Winnipeg, Churchill and Nelson River Study Board, 1975. Technical Report). This factor, in addition to the long term damage resulting from Hydro's controls on the fish and wild game population, have made the community more dependent upon external sources for its food supply. Since completion of the control structures in 1975, there has been little demand for labour from the Indian community.

F. Impact of Resource Extraction

The staples have moulded the economy and the society of the region.

The central concept of the staple theory is the spread effects of the export sector, that is, the impact of the export activity on the domestic economy and society (Watkins 67 p. 53).

Watkins classifies the spread effects or linkages as threefold; forward linkage, that is, further processing of the staple; backward linkage, the production of inputs including capital goods for use in the production of the staple; and final demand linkage, the spending of income received by the commodity producers or workers on consumer goods (1978 p. 14). If the spread effects are potent, i.e., the linkages strong, the greater the income generated in the local economy and if the factor returns from the staple remain in the region, i.e., ownership is local, the prospects for economic development are further enhanced. The factor returns will set in motion a chain of consequences leading to sustained growth with diversified development emerging, serving the intra-regional market and later, possibly extra-regional markets. However, if no linkages develop and the factor returns leave the region, the exploitation of the staple will not lead to development but to the perpetuation of colonialism and underdevelopment.

Although Northern Manitoba has been integrated into the international economy since the establishment of York Factory, it has remained an export dependent economy which imports most of what it consumes. Internal linkages, i.e., forward, backward, and final demand linkages, are non-existent. What is produced is not consumed locally and what is consumed is not produced locally. It remains a

divergent economy - divergent between domestic resource use and domestic demand. Development is determined by the derived demand for a limited number of staple products. Thus today, it is as vulnerable to external demands as it was in the days when the unprocessed beaver pelts flooded the London market and traded at times as a 'low value' commodity.

There has been substantial economic activity in Northern Manitoba in the past 300 years. The Indian people of the region have, however, benefited little from this economic activity. Enormous profits have been accumulated by the Hudson's Bay Company, which in 1670 was graciously bestowed a charter granting the company exclusive right to trade through the Bay (Ross 73 p. 34). With reference to the Hudson's Bay Company, Innis noted that:

The strict economizing effect of the Northern Department included judicious manipulation of credit privileges to make the Indians productive by keeping them in a proper state of subordination (1956 p. 287).

The surplus value, or the enormous factor returns that resulted from the fur were remitted outside the region. The Hudson's Bay Company, like today's other modern exploiters, are non-resident to Northern Manitoba and the outward drain of surpluses continues. With the surpluses not retained in the region, the people of the region are becoming progressively poorer as their resources are being depleted and their sometime assets are not replaced (Kierans 73 p. 113).

There remains no connection between the needs of the population and the structure of production within the region. Their traditional resource base has been weakened as a result of the stripping of the region's staples and the rendering of the Indian irrelevant to the

major staple extraction schemes underway. The treaties extinguished the Indians title to the land and thus deprived them of rent accruing to resource extraction. The land is a vital part of the Indian life-style and thus maintenance of the land is fundamental to their survival. The Crown continues to be more than willing to extend the land/resource base i.e., the mineral, timber or water rights to the resource extractors with little concern to the socio-environmental impact. At the same time it drags its heels on settling its land claims with the Indian community, claims which have been outstanding for decades and which are minute by comparison with the vast acreages ceded to the non-resident resource extractors. A question the majority of Canadians should be asking themselves with regards to the environmental damage, the social disruption and the maldistribution, resulting from 'development' in Northern Manitoba is, as Usher posed in reference to the North as a whole:

To what degree can metropolitan Canada be allowed to ride rough shod over the needs and aspirations of local people (Usher 77 p. 216).

CHAPTER VI

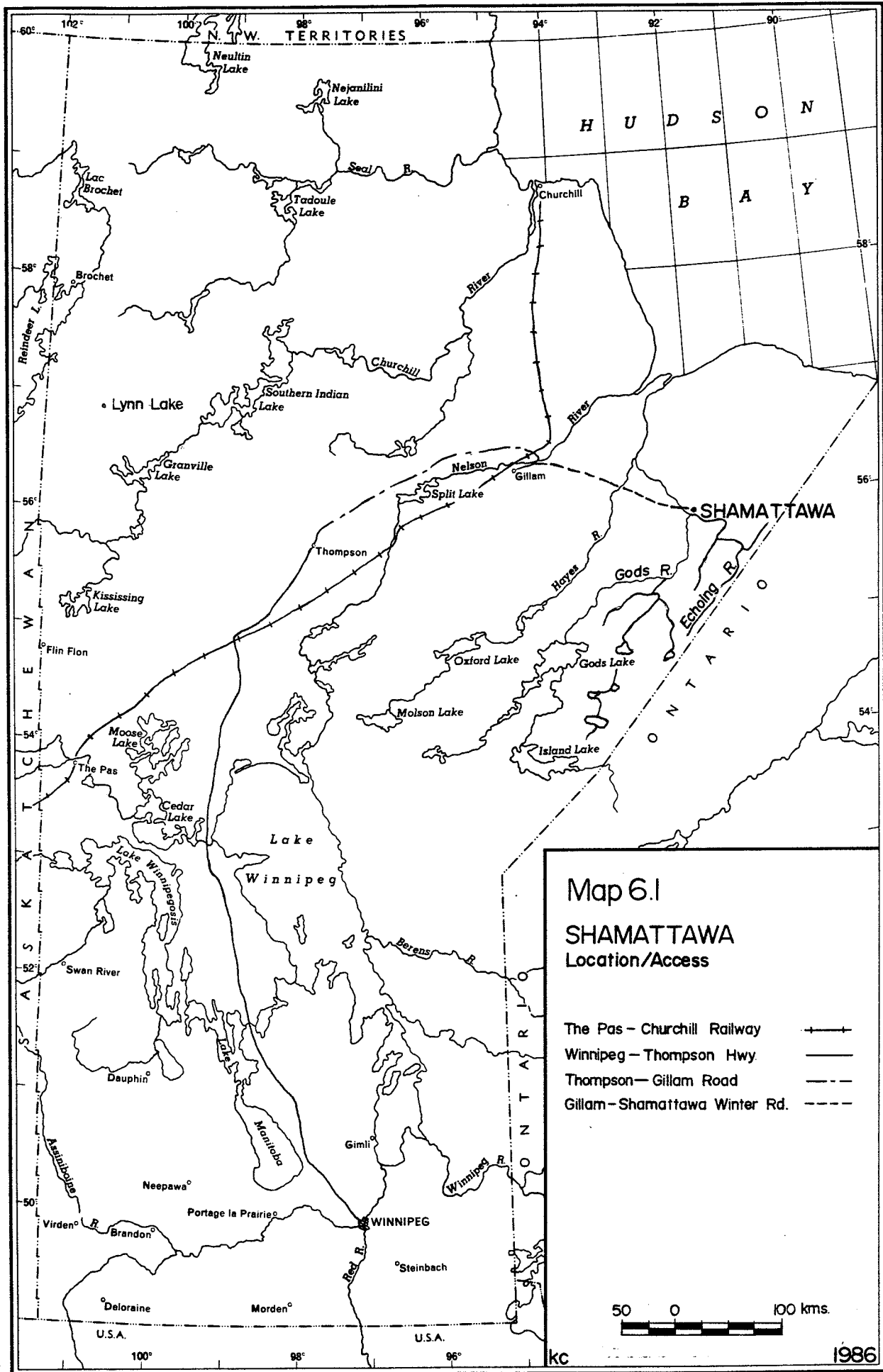
SHAMATTAWA SCHOOL PROJECT

A. The Community

Shamattawa is a Cree settlement in north eastern Manitoba, some 750 km north east of Winnipeg. This community with a population of about 570 is located on the north shore of the confluence of the Gods and Echoing rivers, within the Hudson Bay lowlands at 92° 9W, 55° 50 N. (See Map 6.1). Year-round access to this remote location is limited to air service from Thompson-Gillam. A winter road is constructed occasionally from Gillam, about 180 km to the west, for the transfer of bulk freight, such as diesel fuel and building materials.

The confluence of the Gods and Echoing rivers had been a traditional meeting place for the Shamattawa Band prior to and during the fur trading era and became a permanent settlement in the 1940's after the demise of the fur-trapping activity around York Factory. The 1949 Census recorded 211 Band members at Shamattawa, 218 in 1954 and 275 in 1959. The dramatic increase between 1954 and 1959 is due primarily to the relocation of many who had remained at the Hudson's Bay Company Trading Post at York Factory until its closure in 1957.

Total Band membership in December 1983 was 637, with 536 living at Shamattawa, 46 living on crown land and 55 off-reserve i.e., living away from the reserve. Since 1965 the total membership has grown from 341 to its current level at an average annual rate of



Map 6.1

SHAMATTAWA
Location/Access

- The Pas - Churchill Railway
- Winnipeg - Thompson Hwy
- Thompson - Gillam Road
- Gillam - Shamattawa Winter Rd.



1986

KC

3.5%. This is a slightly higher rate than that of Manitoba's Indian population as a whole, but much higher than the overall Manitoba population growth rate of less than 1%. The age composition of the Band has remained relatively young over the past 18 years; 58% were nineteen years or younger in 1965, 64% in 1970, 65% in 1977 and 61% in 1983. The off-reserve population reached a high of 21% of the total Band membership in 1967. However, since 1971, it has remained fairly constant at approximately 10%. A significant statistic regarding those living off-reserve is that nearly all (53 of the 55) were Band members who were 34 years of age or younger in 1983, an indication of the lack of employment for young adults in Shamattawa.

Job opportunities in Shamattawa for Band members are virtually non-existent. The 1983 potential labour force, namely, all adults (16-64) was 215 with an actual labour force of 126. The latter included, 80% of the 100 adult males plus 40% of the 115 adult females. Employment opportunities in September 1983 numbered approximately 25 full time and 35 seasonal jobs. Some 15 of the full time jobs were staffed by non-residents, including federal teachers and nurses, and Hudson's Bay Company employees. Band members were employed as labourers on the housing construction program, sawmill operation, or as clerical or maintenance workers for the Band office, Band store, drop-in center, motel, Hudson's Bay Company store, the school, the nursing station, the airport and the diesel generating station. Nevertheless as can be surmized, the employment situation for much of the year in Shamattawa is extremely bleak, with the vast majority of the population dependent on government welfare.

According to DIAND social assistance records for the period April 1980 to March 1981, of the total Band population of 536 living in Shamattawa, an average of 442 (includes dependents) or 82% received social assistance. Some 312 or 58% received welfare because of a lack of employment opportunities while 130 (24%) were recipients because of age or health reasons. Thus on average during this period only 94 residents, or 18% of the Shamattawa Band members, were not dependent on welfare.

Basic community infrastructure is totally lacking in Shamattawa. The Indian population resides in some 100 houses without water or sewage facilities. Electrical service is limited to 15 amp service supplied by diesel powered generators. Water is obtained manually from the Gods River with pit privies used for liquid waste. Attempts over the past five years to develop a community well and implement a water truck delivery system have met with limited success. Vandalism and a lack of maintenance of the community well and treatment plant facilities, plus an inoperative water delivery truck and the lack of a complete community road network, have delayed its implementation. Fully serviced facilities are only available to federal teachers and nurses, and the Hudson's Bay Company employees.

Educational facilities in the community are deplorable; the temporary classrooms, accomodating kindergarten to Grade 10 are for the most part poorly insulated, poorly heated and without piped services (4 are currently being replaced). Facilities for a library, gymnasium, home economics or industrial arts are non-existent. The vast majority of students do not advance beyond Grade 10. The nominal roll for the 1983-84 school year indicated that there were 235 students at Shamattawa between kindergarten and grade 10. There

were only two students willing to leave Shamattawa to further their education. It is apparent that both parents and students see little benefit in continuing beyond grade 10, when there appears to be little likelihood of securing employment.

Poor maintenance of the Shamattawa environment and a weak resource base have compounded the already deplorable state of the community. The community is situated on a well drained beach ridge complex and silt plain, surrounded by extensive areas of poorly drained organic terrain. Much of the reserve area, which totals some 5,656 acres, has been burnt over since the establishment of the community in the early 1950's. The area is characterized by immature black spruce and tamarack peat bogs with jack pine and poplar forest interspersed on the ridges and better drained sand plains. The community is well exposed to the northern winds; recurring fires since the establishment of the settlement have reduced the forest buffer to the northeast and northwest. In addition, directly to the north, a broad area has been cleared for the airport runway (See Figures 6.1, 6.2, and Map 6.2, the latter is located in the back folder).

South of the community is the confluence of the Gods and the Echoing rivers. Both rivers have steep 6-7 meter banks and are quite shallow and slow flowing within the vicinity of the community. The rivers unfortunately have become a disposal area for waste from the community. Four main sources of waste have contributed to its deteriorating quality. Lacking a garbage collection system, the community dumps much of its solid wastes into the ravines, or along the river banks. In addition, the high concentrations of liquid waste from existing and abandoned pit privies have seeped into the ground

water which discharges as springs along the banks of the river. A third factor contributing to the poor water quality is the animal waste from the large number of dogs within the community and the sled dogs confined along the river banks. Finally, petroleum waste resulting from the poor practices in the handling, storage and distribution of oil used to generate electricity by Manitoba Hydro for the community and to provide heat for the federal facilities and the Hudson's Bay Company, is occasionally discharged into the river.

The natural resource base of Shamattawa appears to be limited. The decision by the community elders to relocate at the present site has been questioned repeatedly by the young adults. A summary of the area's resource activity and its potential is listed in Table 6.1. The lack of economic opportunities is reflected in the extremely high use of social assistance by the community. This situation has perpetuated a sense of crippling dependence. The community exists today without a function; provision of its basic essentials for survival is taken care of by the state. Shamattawa Band members being virtually locked out of a meaningful participation in the process of earning a living and existing in a community with major deficiencies, have become increasingly frustrated and despondent. There has been a breakdown in the link between conventional wages and conventional work - the basis for their society is in doubt.

Table 6.1

SHAMATTAWA'S RESOURCE ACTIVITY

Activity	Resource
Commercial Fishing	There is no commercial fishing undertaken by the Band. The nearest lake with potential, is Whitefish Lake some 100 km upstream on the Gods River (Wall 76).
Forestry	The area has the potential to provide the local sawmill with lumber for the construction of houses and community facilities. In addition there is adequate lumber for the community's fuel needs. (Romanowski 80).
Sports Fishing & Hunting	No sites have been identified by the Province in the resource inventory as being a potential site for a fly-in lodge (Wall 76). Attempts by DIAND to establish a fly-in lodge some 40 km upstream on the Gods River failed, due to lack of community involvement and vandalism of these facilities.
Minerals	There are no known mineral occurrences; geological status indeterminate at present (Wall 76 p. 94). There is sand and gravel available to meet local needs.
Trapping	The potential production in the Shamattawa Registered Trap Line is considered low for the four major fur bearers, i.e., beaver, mink, lynx and muskrat (Wall 76). It provides a source of supplementary income for 30-40 men in Nov/Dec and April/May.
Domestic Hunting	Income in kind from fish, grouse, duck, moose and caribou is obtained locally, however, the community's major source of food supply is imported. Sampled prices for perishable goods in Shamattawa were 87% higher than in Winnipeg (R. McBryde 82).

B. The Proposed Shamattawa School Complex

With the receipt of contract award by the Treasury Board in February 1986, construction of the Shamattawa School complex is now scheduled to begin in the spring of 1986. The project, an elementary-secondary or K4-G12, school will include a kindergarten, 8 standard classrooms, facilities for science, industrial arts, home economics, physical education, a library, and an administrative unit. The school buildings total 2,272m² and an additional area of 841m² will accommodate the 15 staff units. The related infrastructure includes an independent water supply and distribution system, a sewage collection and lagoon system, a fuel storage farm and distribution system, a playground, sports field and skating rink. The total cost of the school complex is estimated to be between \$10 and \$11 million. It will be the major investment in Shamattawa.

The need for school facilities was noted as early as 1969. Planning and design for a school started in the early 1970's with construction then scheduled to begin in the Spring of 1975. However, the plans were shelved when it was realized that the cost estimate of \$4.5 million for the school exceeded the maximum that Treasury Board would spend in Shamattawa by \$3 million. A change in policy in 1977-78 re-activated the planning for the school. By the summer of 1978, the Chief and Council had developed a plan for implementing the educational facilities. That implementation strategy forms the remainder of this Chapter. The reasons for the plans not materializing are outlined in the next Chapter. The main objective of the implementation strategy was to facilitate local development. The intent of the plan was not only to have a school built but also to maximize the amount

of that capital investment which would remain in the community. The development scheme had the potential to move the community in the direction of self-sufficiency.

The approach to building the school had to be acceptable to the community if the project was to succeed. The community initially lacked the self-confidence to embark on an adventure which would have involved it and its resources. It did not see itself as a testing ground for a new DIAND approach to school construction. The community had very little and was afraid that failure would leave it without a school. Furthermore, the need for school facilities was and remains immediate. The Band Council thus initially expressed interest in a pre-packaged school which could be put in place within a summer. Some Council members had visited a school in Balmoral, Manitoba and were interested in erecting a similar pre-fabricated metal structure in Shamattawa. Although not utilizing any local resources or involving the community labour to any extent, the structure would have provided immediate educational facilities. The community thus needed to be convinced that it had many of the resources and that their use would not result in an inferior product but in facilities appropriate to the socio-economic conditions in Shamattawa.

Prior to the design of the school an analysis of the community's resource base was undertaken. The inventory included the type of manpower available to work on the project and related activities, their skills and training requirements. The timber stands, up-stream on the Gods and Echoing Rivers were surveyed to determine the yields of sawn lumber and the time, manpower and equipment required to

provide the lumber needed to construct, equip and heat the school facilities. The quantity, quality and means of accessing the available aggregate were identified. In addition the environmental implications of utilizing the local physical resources were also assessed. This was particularly significant in light of the limited timber resources available.

During the planning discussions for the project, recommendations were made that PWC would be removed as the design and construction agency for the project. As noted by Hirshman, projects whose potential difficulties and disappointments are apt to manifest themselves at an early stage should be administered by agencies having a long term commitment to the success of the project (1967 p. 20). PWC unfortunately has not shown any such commitment in the past. DIAND working with the community would be better able to develop the project as much as possible in the experimental spirit:

in the style of a pilot project gathering strength and experience gradually so that it may escape being classed as a failure (Hirshman 67 p. 20).

By being directly answerable to the Band, DIAND would be more sensitive to their needs and to be better able to make allowances for the learning process. The exclusion of PWC from the project would allow DIAND, as the design and construction agency, to better coordinate all phases of the project demands. All programs of the Department could work together to establish in Shamattawa a socio-economic development base that would bring opportunities to the community rather than using the community to serve outside interest. Working in conjunction with the community, and in a coordinated

fashion, each program of DIAND could have played a significant role in the implementation of the school project (see Table 6.2).

Table 6.2

ROLE OF THE PROGRAMS WITHIN DIAND

Program	Role
Economic Development	- assess the forest resources, establish a harvesting and reforestation program and setup a sawmill.
Employment Program	- recruit and set up training programs for all phases of the project development.
Social Development	- provide assistance in determining manpower and skills available, as well as convert welfare dollars to training dollars.
Community Planning	- assess the appropriateness of the development scheme, i.e., its compatibility with both the resources and socio-economic needs of the community, with regards to the overall development of the community.
Engineering & Architecture	- coordinate all activities and provide total Project Management for all phases of the project.

C. Scope of the Project

In meetings with the community and Band Council during the summer of 1978, the following principles were established to ensure that the approach taken in implementing the school would be appropriate to the Shamattawa situation.

1. The construction should be carried out by the Band members with a minimum of outside skills and trades.

2. The structure should be primarily wood frame utilizing local lumber and aggregate.
3. The school buildings should be in scale with the rest of the community.
4. The skills acquired during construction of the school should be directly applicable to the Band's housing construction program.
5. The development should be phased to permit the operation of one unit prior to completion of the entire school.
6. The units should be self contained and separated from the other units to prevent a total loss of the school facilities if fire should break out in one unit.
7. The structural components for the buildings should be standardized and prefabricated on site.
8. Wood should be utilized as the primary source of heat with oil/propane used as standby fuel.

Based on the above guidelines, the scope of work was phased over a 5-year period (see Figure 6.3). The extended period was established primarily to provide more people in the community the opportunity to participate on the project. The impact of construction would not be a one-two year activity boom within the community, but development paced to the community's life style. In addition by phasing the development, the ability to monitor physical progress and ensure financial control would also be made easier (see Table 6.3).

Table 6.3

SCHEDULE OF THE SHAMATTAWA SCHOOL PROJECT

Phase	Period	Activity
1	September to March (7 months)	<ul style="list-style-type: none"> - clear site and set up storage compound - build construction camp and warehouse - construct winter road - mobilize and transfer all non-local material/equipment - install power generator and distribution lines
2	April to March (12 months)	<ul style="list-style-type: none"> - construct gymnasium/home economics unit for use as a workshop during construction (700 sq. m.) - develop well & water reservoir, excavate for sewage lagoon, & construct fuel farm
3	April to March (12 months)	<ul style="list-style-type: none"> - trench & install distribution lines for water, sewer & fuel - construct administrative unit with the K4-Grade 2 classrooms (485 sq. m.) - build 2 teacherages (193 sq. m.)
4	April to March (12 months)	<ul style="list-style-type: none"> - construct elementary unit, (440 sq. m.) - construct 3 teacherages (246 sq. m.) - site work for kindergarten and elementary playgrounds - develop demonstration garden
5	April to March (12 months)	<ul style="list-style-type: none"> - construct intermediate high school unit, Grades 7-12, (647 sq. m.) - construct 6 teacherages (400 sq. m.) - renovate gymnasium/home economics unit to meet functional requirements - complete site development i.e., soccer field, baseball area, skating rink and pathways

D. The Impact of Appropriate Technology

Adopting the approach proposed would have maximized the utilization of local manpower and provided the community with employment opportunities during all phases of the project's development. For the manpower of Shamattawa to remain idle during the implementation of the project, would have serious negative social and psychological consequences - what other opportunity would many of the residents have of making a livelihood? What other project would have the impetus that the school project would have to initiate further development?

Living standards in the community would improve, as those involved on the project would acquire skills and wages and be able to apply them to other activities. In addition, those who leave the community after acquiring skills on the project would be better equipped to secure employment elsewhere. The prospect of having a self-sustaining industry in Shamattawa that would employ a significant number of locals is unlikely. As previously noted, the community's resource base is limited, as is DIAND's funding for economic/resource development. Economic self-sufficiency for many will only be achieved by giving up reserve residence. Band members would, however, be able to depart the reserve with some life skills, although limited, for the non-reserve environment:

Give a man a fish....and you are helping him
a bit for a very short while; teach him the
art of fishing and he can help himself all
his life (Schumacher 73 p. 197)

The proposed concept would have utilized and developed local physical resources. Concrete aggregate could be used for

foundations, floor slabs, basement and external walls, piers and columns to support beams and joists. It could also be used for pre-cast units such as steps, paving slabs, etc. Lumber could be utilized for such purposes as beams, joists, trusses, to support floors, ceilings and roofs, as well as, exterior walls, internal partitions, wood furniture, fencing, playground equipment and heating fuel. A major portion of the construction and operating investment could remain in the community, not only in the utilization of local resources but also as a result of a reduced freight bill on material and oil. Saving on freight transfer would be 50 cents for each kilogram of the estimated 1,580,000 kg of building material required to put the school in place. Heating the school by oil would cost approximately \$50,000 per annum. However, if oil was only used as a standby fuel and wood used as the primary fuel the estimated 250 cords required annually could be harvested upstream by Band members, and floated down river into a catch basin.

There would be greater acceptance of the project, through the association of putting the facilities in place. The school would be part of the community, a community success story. The Band would be more likely to make greater use of, and be more willing to maintain and take care of the facilities. Construction of the school by an outside construction firm would deny the community of a sense of having participated in putting the facilities in place and have a negative demonstration effect. They would be denied the opportunity of acquiring wages and skills from that process, handicapping the productive activities in the community and depressing the already low quality of community life. As noted by Sears, one of the greatest

deprivations anyone can suffer is to be denied the chance of making a livelihood:

"To be chronically dependent on another person's productive capacity, even for food, is incompatible with self-respect for a non-senile adult" (1971 p. 23)

CHAPTER VII

THE HISTORY OF THE SHAMATTAWA SCHOOL PROJECT

A. Need Identified

The requirement for educational facilities at Shamattawa dates back to March 1969:

Now I have a definite opinion about Shamattawa. It is a Community that suffers from poverty, ignorance, and isolation. A real solution to its real problems is going to be difficult to achieve. The condition of the schools (classrooms) represents the condition of the Community. (District Superintendent of Schools)

It is questionable whether or not there has been improvement to the quality of life in Shamattawa since 1969. The state of its educational facilities remains deplorable. In 1970 the Shamattawa Chief and Council submitted the first of many Band Council Resolutions (BCR) requesting improved educational facilities. The need identified was for a K4-G12, elementary-secondary school of 27,600 square feet to service a student population of some 230 students, with 6,600 square feet of accomodation to house eight teachers. The total cost of these facilities with its related infrastructure was estimated to be \$ 4.5 million with construction scheduled to begin in May 1975. However, final approval was not to be received until February 1986.

The school project has had to overcome numerous bureaucratic and political hurdles over the past sixteen years, delaying construction start. The first scheduled construction season had passed by in

October 1975 with no activity on site. The reason for the delay is explained to Chief Judas Miles by the Regional Director (Nov. 28/75), in response to his second BCR requesting a new school:

A recent ruling by Treasury Board has stipulated that construction cost for schools must not exceed the amount of \$ 6,600 per pupil. Based on a projected enrollment of 230 students at Shamattawa this means the total amount that can be spent on the project is \$ 1,518,000. This ruling has posed a real problem in the construction of a school in your community..... We are working on this (problem) at present but it may be sometime before a solution can be found.

The problem appears to be to find a solution to reduce the school construction cost from \$ 4.5 million to \$ 1.5 million. In effect no school would be built in Shamattawa until the cost could be reduced by 66% or by \$3 million, somewhat of an impossible task! The project appeared to be doomed until February 26, 1976 when an article in the Winnipeg Tribune seems to have re-activated interest and put pressure on DIAND to take action:

Education facilities in the community are inadequate. The present school buildings are on the verge of collapse and are constantly drafty and difficult to heat. Sometimes school is cancelled because the teachers refuse to teach in cold classrooms (A Band of Forgotten, Bewildered People).

The Department responded by establishing a Working Committee with a mandate to develop by January 1977:

A plan for the construction of a school at Shamattawa which will provide an adequate facility at a cost within the parameters of available Departmental funding formulas.

There appears, however, to be no record of the Working Committee meeting to determine what could be constructed at Shamattawa to provide the community with a satisfactory school for \$1.5 million.

By October 1977, the Shamattawa Council submitted its third BCR requesting a school. The BCR was more specific this time as it stated that the requirement was for a metal structure with a furnace in each classroom and two in the gymnasium, i.e., a well heated structure that would not be drafty. Council also requested a tractor train to transport the pre-engineered steel structure into Shamattawa during the winter of 1977-78.

B. The Planning Stage

In reviewing the project files it appears that it was not until the spring of 1978 that a serious effort was made by the Department to have a school constructed at Shamattawa. A project manager was appointed, and meetings were held with the community to determine its requirements. By June 1978, the Band Council adopted by BCR a Project Brief which defined what it wanted from the school project:

- (a) that the type of construction allow for maximum input by Band members;
- (b) that the project be phased to ensure that the maximum number of Band members could be involved;
- (c) that the majority of work be of a nature that it can be done by some 50 Band members;
- (d) that a sawmill be developed to provide the lumber requirements;
- (e) that a technical trades training package be incorporated into the project;
- (f) that the construction schedule reflect local priorities,
 - i.e. Year 1 - Gymnasium and Home Economics
 - Year 2 - Administration area, Kindergarten and, Grades 1-2,
 - Year 3 - Grades 3 - 6,
 - Year 4 - Grades 7 - 12 with facilities for Industrial Arts, Library, and outdoor physical education;
- (g) that construction allow for one unit to be operative prior to completion of the entire school;

- (h) that the teacherages be built between construction year 2 and 4;
- (i) that the Band members, not a contractor, benefit from the construction;
- (j) that the Band members be able to develop technical skills in building the school and teacherages which could be used in improving their own housing.

An attempt was also made to prepare a Comprehensive Community Plan and coordinate that process with the planning for the school project. The intent of that exercise was to assist the community in identifying the type of educational/training needs it required, servicing that would benefit both school and community, and that the school site selected would be compatible with the community's overall development plans. Unfortunately, due primarily to irregularities in the selection process for a community planner, the exercise never got off the ground. An advisor to the Band Council saw the planning program as an opportunity for a consulting firm in which he had an interest to cash in on federal funds. The firm, although unable to meet the basic requirements as a community planning agency, was able to convince Council that it was the only group capable of advising the Council on how to prepare a plan for the community. This group although unsuccessful in becoming established at Shamattawa were subsequently able to "set up practice" in at least three other northern communities, only to depart from each prior to "assignment completion".

The attempt to initiate the preparation of a community plan demonstrated, at an early stage in the development of the school project, the influence that outside advisors to the Band would have on determining events in Shamattawa. Outside advisors to Bands

continue to surface whenever there is the anticipation that a large amount of federal funds will be flowing to a community. Shamattawa continues to be plagued by a select group of these advisors hoping to cash in on the dollars associated with the pending school project (Appendix 1).

In July 1978, a submission was forwarded to Ottawa requesting Treasury Board, to grant:

Approval - in - principle (design approval) for the construction of a new elementary/secondary school, accommodation for teachers, a water and sewer systems, fuel farm, and diesel generating facilities at Shamattawa.

However, it was not until October 1981, that the submission was finally considered ready by DIAND Ottawa for Treasury Board's Agenda. Prior to the submission being forwarded to Treasury Board it was revised and resubmitted by the Regional Office a total of ten times.

The Shamattawa 'classroom facilities', if they could be called such, were probably the worst in the country when the Band Council first requested a new school in 1970. These temporary facilities have deteriorated significantly, as minimal funding has gone towards their upkeep. The Band Council has since 1972 threatened and on many occasions has in fact kept the children out of the school for extended periods for fear of collapse, lack of heat, or to embarrass the Department into doing something. The condition of the existing school facilities was well documented in the Treasury Board package. However, during this drawn out approval period DIAND Ottawa continued to question the need for new facilities. This tactic resulted in delays and constant "re-justifications" to support the submission. As the Regional Superintendent of School Facilities stated in his

June 1981 briefing notes to the Regional Director General:

The questions which span a period of over three years have not only become repetitive, but their quality has deteriorated.

The Director/Resource Planning and Analysis (Ottawa) in his , May 19, 1981 memorandum to the Assistant Deputy Minister best typifies the type of questions that were repeatedly forwarded to the Region requesting further justification for the project (Appendix 2):

- Why was the use of the trailer teacherage not defined? (Identified in the Submission as being turned over to the Band to meet their housing needs.)
- Why was a school complex, teacherages and recreational facilities being built? (Existing facilities inadequate or non-existent.)
- Why was the project not phased/staged? (Identified as such in the Submission.)

Attempts were made by the Regional Office during the approval process to exclude PWC from the Project. The Project Manager's letter of September 11, 1980 explains the reasons:

As discussed, the Shamattawa 'situation' makes it imperative that both DIAND and the Shamattawa Band Council make a concentrated effort to relate construction activity to socio-economic activity. Design of the project is scheduled for 1981/82 with construction to be phased over the following 5 years. In view of the time frame, and particularly the conditions in Shamattawa, DIAND would be in a better position to fully tap and coordinate the human and physical resources of the Shamattawa Band, as well as the Economic Development, Social Development & Employment Programs of DIAND. It is, therefore, proposed that DIAND be the agency responsible for implementing the design and construction activity.

However these attempts to exclude PWC failed. The Region was reminded by Ottawa that it is Departmental policy to utilize PWC as the design and construction agency for all projects over \$500,000 in

accordance with PWC/DIAND Memorandum of Understanding.

The Feasibility Study undertaken during the long drawn out approval period on the use of appropriate technology techniques proved to be more positive. The study was a follow up to the Band Council's resolution to maximize the utilization of local resources. The findings indicated that the community had a labour force far in excess of project requirements; that the timber stands were adequate for building needs and; that there was an ample supply of aggregate for concrete requirements (Romanowski 80).

C. The Design Stage

Treasury Board approval for the school design was finally received in October 1981, some 38 months after the submission was first forwarded to Ottawa. Meetings were subsequently held in the community to discuss the details of the approval and review the strategy previously adopted, i.e., that the project would be phased and implemented as a local day labour project. Sam Miles, who had replaced Judas Miles as Chief, was in general agreement with the implementation process adopted in June 1978 and accepted the decision to utilize PWC as the design and construction agency. However, within a week, a BCR/letter was submitted to the Regional Office by Victor Martin, acting as an advisor to the Band, indicating that the Department consider a Band/Contractor Joint Venture proposal. Specifically that PWC be excluded from the project, and that the Band Council be allowed to enter into an agreement with a pre-selected contractor to design and build the school. The contractor would administer and manage the entire project for the Band, with

Mr. Martin representing Council's interest in the partnership. How the Band would participate in this arrangement was questionable.

The administrative and management capability of the Shamattawa Band is not only one of the weakest but the least stable in Manitoba. The Band has had serious difficulty in managing its annual construction program of less than \$300,000. It was thus advised by the Regional Office that its lack of management capability precluded the Department from turning over the school project to the Band and any Band selected construction company. Mr. Martin however remained adamant that the project be implemented as a joint-venture arrangement. He continued to question the Region's position of refusing his proposal under the guise of Indian self-government and PWC's past construction record (Appendix 3).

DIAND addressed the issue of capital project implementation in its May 10, 1982 Position Paper - Opportunities for Indian Participation, also referred to as the Chenier Proposal. The recommendation put forth was that the school be built as a PWC Day-labour project. The Department's position was that this method of implementation:

- (a) identified opportunities to maximize Band involvement in the project;
- (b) gave the Band the opportunity to access the full range of potential benefits offered by the project;
- (c) that the Department would be getting value for money and remain accountable for the expenditure of public funds.

Nevertheless, in an effort to ease the political pressure from Victor Martin, the Region attempted in February 1982 to remove the water, sewer and fuel systems from the main school project and install the

utilities under a joint-venture arrangement with the Band and its pre-selected contractor. The Region's plan was to proceed without Treasury Board approval for the purchase, shipment and construction of the required infrastructure in order that these services would be in place for the Shamattawa nursing station scheduled to be completed in October 1982. Mr. Martin had been able to convince Health and Welfare Canada that the nursing station, a \$1.5 million project be built under a similar joint-venture arrangement as he proposed for the school.

However, approval from DIAND Ottawa was not forthcoming for the agreement which the Region had entered into with the Joint-Venture Group. The unfortunate situation was that the contractor had constructed a road into Shamattawa from Gillam and shipped in the required water, sewer and fuel farm material. The Region was thus unable to make payment for the expenses resulting from this fiasco nor could construction of the utility systems proceed. As Bob Lowery in Winnipeg Free Press (June 14, 1982) described it in his article, "Band Left Holding Bag After Indian Affairs Slips Up";

The Shamattawa Indian Band Council has been left holding the bag after the Department of Indian Affairs mistakenly advised it to purchase \$300,000 worth of pipe and other equipment for a sewer and water project.

The slip-up occurred after Indian Affairs completed an agreement with the Band to construct an \$800,000 sewer and water system that would serve a proposed \$7 million school and a \$1.2 million nursing station.

"You guys made a real mess and now we're stuck with it", Chief Sam Miles told Indian Affairs officials who made the 500 kilometre (310 mile) trek for a special meeting last week to discuss the issue. "This BS has got to stop or we'll have to find some more new ways of embarrassing the Department."

Strong feelings of distrust developed between the Department and the Joint-Venture Group. It was not until August 1982 that an agreement was eventually worked out for paying RAL Enterprises, the contractor, for expenses incurred.

D. Treasury Board Approval for Construction

In September 1982, PWC provided a Class "B" cost estimate for the school project. The total estimated cost varied between \$8.3 million and \$9.3 million depending on the method of implementation. The Vote 10-PWC Contract method phased over 2 1/2 years was estimated to be \$8.3 million, while the Vote 10-PWC Day labour approach phased over 4 1/2 years was estimated to be \$9.3 million. Inflation between 1975 and 1983 had accounted for some \$3.8 million of the increased cost from the earlier estimate of \$4.5 million. The additional cost was a result of an increase in the scope of work, i.e., an upgraded fire protection system and the school ground development. The recommended option of the Region at the time was that the Vote 10-PWC Day labour route be pursued:

This method will ensure the most cost effective and timely acquisition of this physical facility and at the same time will help achieve the long term objective of gradual transfer of technology to the Band members, through employment and by incorporating a technical training program. It will also enable the Department to better control cost and technical quality of the work by providing project management, with on-site inspection by PWC. (October 1982)

A summary of the three options which were considered for constructing the school are outlined below.

- (1) Vote 10 - PWC Day labour PWC would act as the general contractor using maximum available local labour, with the speciality trades, i.e., electrical and mechanical, being sub-contracted.

Besides providing much needed employment to Band members over the 4-5 year period this option would provide them with trade training, and a sense of pride in having constructed a facility.

(2) Vote 10 - PWC Contract Construction would be by a general contractor selected by public tender. Community involvement in the project would be limited as the employment and training of Band members would be up to the discretion of the contractor. The employment time frame would also be limited to 2 1/2 years. A high risk factor may be included in the contractor's price due to the remote nature of Shamattawa and the unhealthy construction environment for a non-Band selected contractor.

(3) Vote 15 - Band/Contractor Joint Venture Under this option the Department would enter into a Contribution Arrangement with the Band based on a sole source proposal price which the Band would receive from its pre-selected contractor. The Band would in turn enter into a joint venture arrangement with the contractor. The extent of the community involvement in the project would be at the discretion of the contractor. Two major disadvantages of this option are, that the partnership is unequal due to the Band's limited technical and financial management capability and secondly, there are no bonding provisions, i.e., if the contractor goes bankrupt, walks away from the project or has a falling out with the Band, the Crown takes the loss and would have to complete the project.

In January 1983, the Region under continuous pressure from Victor Martin changed its position to the Vote 15 option. The Director of

Education believed that by proceeding under the Band/Contractor Joint-Venture arrangement there would be a greater sense of community ownership in the facility. A Treasury Board submission for construction of the school was thus submitted to Ottawa as a Vote 15 project in April 1983. Headquarters, however, were reluctant to submit the submission to Treasury Board for a number of reasons:

- (a) Shamattawa's administrative record is very weak;
- (b) the management capacity of the Band is highly questionable;
- (c) the level of the Band's involvement in the management scheme would be insignificant, i.e., the contractor would manage the project;
- (d) the Department would not be getting value for its money.

Ottawa established a DIAND-PWC Committee to explore the possibilities of maximizing Band involvement under the Vote 10 options. The committee was given the mandate to explore options which would maximize Band labour, material and equipment, as well as, maximize management participation by the Band and instill a pride of ownership for the facility. The committee presented its report in August 1983 and recommended that the school be implemented as a Vote 10 - PWC Day labour project. It recommended that:

- The project be implemented at a slower pace by phases or sub-projects so that it would be more manageable using day labour.
- Work being carried out at one time should not exceed labour and material resources available.
- PWC would seek dispensation from the Department of Supply and Services to use sole source contracting from the Band for the supply of local materials and equipment.
- Local labour would receive training on early phases which would improve performance on later phases.

- By phasing the project it would be easier to adjust the implementation procedures if circumstances required.

The committee's recommendations were very much in line with the option selected by the Band in 1974, the Band Council's Resolution of June 1978, the option preferred by Council again in November 1981, the Chenier Proposal of May 1982 and the Region's recommendation of October 1982.

Mr. Martin, however, continued to push for the Vote 15 option. At the September 1983 hearing before DIAND's Capital Project Executive Committee, Mr. Martin and Chief Miles presented their case for Vote 15. Their arguments were that the Vote 15 - Joint Venture option would: maximize employment for the Band; allow the Band to obtain additional construction knowledge; utilize the Band's equipment and lumber; and provide the Band with the opportunity to show that they are capable of building a school. Senior management in the Regional office added their support for Vote 15; their main argument was that the community views outside agencies, with contempt, thus by allowing the Band to enter into an agreement with a contractor of their choice, the risk of failure would be minimized. However the Capital Project Executive Committee rejected the arguments put forth by Mr. Martin, Chief Miles and the Region. The Committee recommended that a Band requesting to implement a large project under Vote 15 needed to demonstrate an exceptionally strong administrative capacity. The Committee believed that to recommend Vote 15 for the Shamattawa project, in view of the very weak administrative capability would set a precedent and allow any Band in the country to opt for the Vote 15 option for large projects. The recommendation of the Committee was that the project be

implemented as a Vote 10 - PWC Contract, i.e., by a general contractor selected by public tender. Although the method recommended by the Committee would result in minimal Band involvement in comparison to the Day-labour option, the Committee believed the contracting route to be the most cost-efficient means of acquiring capital facilities.

Chief Miles and Victor Martin were not willing to accept the decision of the senior DIAND bureaucrats. They thus took their case to Minister of DIAND in October 1983 and were able to convince John Munro, the Minister of the day, that the project should proceed as a Vote 15 project. In May 1984, a proposal prepared by RAL Enterprises, the Band's joint-venture partner, was submitted as part of the Treasury Board submission requesting permission to start construction. However, the covering letter from the Region indicated less than full support for the proposal:

....it is recognized that the submission does not fully comply with normal management practices exercised by the Federal Government in the implementation of Capital Projects.

Specifically the following concerns were raised in the submission:

- (a) the overall cost estimate appeared excessive in view of the joint-venture partners' "commitment to use local resources";
- (b) the joint-venture partner was not subject to bonding provisions which would protect the Crown's interest should the joint-venture partner declare bankruptcy or abandon the project;
- (c) the Band's involvement in all aspects of the project appear to be limited, i.e., of the 8 managers identified in the operational structure, 7 represented the contractor; the Band was represented only by their advisor, a non Band member;
- (d) in the area of employment, it appeared that only 20% would be local residents and no training package was identified;
- (e) the local sawmill was not identified as the supplier of lumber;

- (f) the method of selecting the joint-venture partner by sole source contracting, negates the competitive process and does not assure the Crown of value for money.

Although, the submission had major deficiencies and was likely to be rejected by Treasury Board, the position of the Assistant Deputy Minister was that the Minister had made a commitment to the Band, and thus no civil servant had the right to second-guess the Minister's decision. However, by the time the submission was ready for the Minister's signature and Treasury Board's agenda, Mr. Munro had been replaced by Mr. Firth. The new Minister was not willing to forward the submission to Treasury Board as a Vote 15-Joint Venture project. He did not believe that the Crown would be getting value for its money, or the required bonding protection. He was only willing to forward the submission to the Board on condition that the project be implemented under the Vote 10-PWC contract option with some form of understanding from the successful contractor to use local resources. Chief Miles and his Council were advised that unless they accepted the decision of the new Minister, the project would not get Treasury Board approval.

Acceptance of Firth's conditions were received from Council with the stipulation that the Band be allowed to do portions of the project under Vote 15. However, with the change of government in the fall of 1984, the submission was not considered by the Board. In November 1984, David Crombie replaced Doug Firth as the Minister of DIAND. Mr. Martin was not willing to accept the decision of the former Liberal Minister that the project proceed as a Vote 10-PWC Contract. Martin, along with the new Shamattawa Chief, Tom McKay, and the then Chief of the Assembly of First Nations, David Ahenakew, took their case to the new Minister. They were able to convince

Crombie that the school be implemented as a Vote 15 project. The Minister did however stipulate that he would recommend the Vote 15 option to Treasury Board provided that the Band accept some safeguards, i.e., that the Band obtain bids from at least three contractors and that the Department impose any conditions it believed would be required.

Although apparently agreeing to the terms outlined, Mr. Martin subsequently advised the Minister in February 1985 that he still wanted the project implemented under the Joint-Venture arrangement with the pre-selected contractor. Mr. Martin believed that the safeguards imposed by the Minister, and those of Department, namely, that the Band engage an established Project Management Agency to ensure quality and cost control, would undermine the Band's (specifically his) control of the project. In fact Mr. Martin was concerned that there would be no guarantee that his pre-selected contractor would be assured the job. The contractor favoured by Mr. Martin has subsequently gone into hiding. They have reportedly left the Wasagamack Band (October 1985), their joint venture partner on a nursing station project, with some \$300,000 in unpaid bills and an unfinished project.

Attempts by the Regional officials to meet with the Shamattawa Council during the spring and early summer of 1985 to reach an agreement on the issue of the Vote 15 conditions were unsuccessful. The community appeared to be in a period of internal political unrest, which was followed by a period of violence during July 1985. Its frustrations, as has become the norm, was directed at facilities belonging to the Crown or the Hudson's Bay Company (Appendix 4). The aftermath of the unrest saw the replacement of Chief McKay and his Council with Chief Judas Miles and a new Council.

Chief Miles severed the community's relationship with the proponents of the Vote 15 option, i.e., RAL Enterprises and Mr. Martin, after the latter had been convicted of a criminal offence. Chief Judas Miles who had held the office for much of the 1970's, believed that a school would only be built in Shamattawa if he accepted the recommended option of the DIAND Capital Project Executive Committee, i.e., the Vote 10-PWC Contract. His Council thus submitted on August 26, 1985 a BCR favouring that option with the condition that the tender package include provisions to ensure the use of local resources and a trades training program. On September 20, 1985 a submission was forwarded to Ottawa supporting implementation of the school complex under the Vote 10-PWC Contract option.

Treasury Board on December 5, 1985 gave DIAND authority to spend up to \$10.9 million (includes all associated cost and risk elements) for the construction of a school at Shamattawa. Public tenders for the project closed on January 16, 1986 with five bids received ranging in price from \$8.1 to \$9.9 million. No bid was received from RAL Enterprises, the pre-selected contractor of Victor Martin. The low bid, which was submitted by Kingsgrove Construction was some \$400,000 under the pre-tender estimate of \$8.5 million. The pre-tender estimate excluded associated cost related to the project, i.e., diesel generation cost, technical trades training, DIAND and PWC design and management cost, and Band coordination and administrative expenses.

The Shamattawa Band faced still another hurdle in its attempt to have a school. The low bid was submitted by a contractor with a

questionable performance record. Of concern to the Band Council, including DIAND and PWC was the low bidder's poor working relationship with the Cross Lake Band, for whom that contractor is currently involved with in the construction of a \$14 million school project (Appendix 5). Treasury Board was thus requested to by-pass the low bid and award the contract to A.K. Penner & Sons, the second lowest bidder. The latter, an established contractor with a more favourable track record, had submitted a contract price of \$8.5 million.

However, Kingsgrove, the low bidder was not going to be by-passed easily. The firm solicited the support of, among others, Mr. Martin and Tom Campbell, the former owner of Campbell Construction, a firm which reportedly left Gillam (September 85) with some \$200,000 in unpaid bills. With their backing Kingsgrove attempted to change the decision of the Shamattawa Council to its favour. As noted in Appendix 1, the letter of Tom Campbell, certain advantages would be available to the community, "at no cost to band", if Kingsgrove was awarded the contract. In addition Mr. Martin sent a telex in the Chief's name to Treasury Board requesting the award of the contract to Kingsgrove (Appendix 6). Fortunately the Shamattawa Council was made aware of this fact by the office of their member of Parliament, Rod Murphy and were able to rescind the telex by BCR on February 17, 1986. Three days later, Treasury Board approved the awarding of the contract to A.K. Penner & Sons. The timing of the approval allowed the contractor to build a winter road into Shamattawa, and transfer in the required material for construction start in Spring 1986.

CHAPTER VIII

CONCLUSION

This thesis has described the observed state of the Indian community in Northern Manitoba and compared it with the desired state, namely mainstream Canada, a state which conforms with accepted principles of social justice. Particular reference was made to the Indian settlement at Shamattawa, a community which was found to be in a state of social disarray, totally dependent on the Crown for its existence. A method of implementing a major school project scheduled for Shamattawa was presented, a proposal which had the potential to alleviate some of the deficiencies apparent in the community.

The Indian community in Northern Manitoba some 300 years after the establishment of York Factory is not only underdeveloped but in a state of crippling dependence. The extraction of the resources from the region has provided few benefits, but has gone a long way in destroying the once self-sufficient lifestyle of the Indian people. Hudson's Bay Company control followed over a century of nearly total government control have caused the Indian to move from a self-sufficient existence to that of a ward of the State - now subjected to (but unable to effectively participate in) decisions affecting the future of his community. Government policy has only served to intensify and perpetuate the deplorable conditions that they were supposedly designed to remedy.

DIAND has attempted to put into effect a number of systems to

ensure that the implementation of its large capital program meets the requirements of the Band/Department and is constructed on time, within budget and to the desired specifications. However, as demonstrated in the Oxford House school project, and noted in other large school projects, the extent of local resource development and community participation remains virtually non-existent. The major benefits from these large "one-time-only projects" are left to chance and continue to flow in the wrong direction, from the Crown to others rather than to the community. Much of the problem rests with the DIAND's philosophy of development which is based on an approach that attributes underdevelopment simply to deficiencies in capital, natural/human resources or physical infrastructure; an approach which is very much in line with modernization theory. It's a philosophy which appears to be based on the crude and materialistic notion that by maximizing the amount of square footage constructed or miles of water line installed is a good thing in itself and constitutes progress. If DIAND's goals of development were more in line with creating conditions which would reduce unemployment and dependence, the Department's capital program could go a long way in the unfolding of creative possibilities inherent in the community.

The recommendation of DIAND's Capital Policy Executive Committee, that the Shamattawa School Complex be implemented as a package product by an outside contractor virtually assures limited community involvement and very little local resource development. The package approach generally assures the Department, the "best bang for its buck" and reduces the risk of failure associated with northern remote

construction. The contractor, having won the contract, by offering the Crown the lowest price, will deliver the project with known plant and resources to ensure that he comes away with a profit. This method of project implementation does not serve the needs of the community. It is an approach based solely on economic values rather than measured against human, social or cultural values. It is evidence of government policy for development based on southern objectives and practices which are in obvious conflict with goals to improve conditions on the remote Indian community. An elaborate structure constructed in Shamattawa without the community inputting into its erection would not instill a sense of accomplishment in the community or a feeling of community pride. There is no "indigenous capacity developed" or "learning by doing effect". The structure would remain foreign to the community and subject to community abuse.

The Band members of Shamattawa will remain a "high cost general assistance group", living in an environment which shows no signs of improvement. The continual thrust of DIAND funds towards the effects of underdevelopment and not the causes will result in the gap between the desired state and the observed state widening. The Band members of Shamattawa will continue to be Canada's neglected citizens enjoying only a fraction of the social and economic investment available to other Canadians. In Shamattawa, DIAND is the main agent which has the capacity to simultaneously influence the factors which could perpetuate the dependent state of the community or provide the conditions necessary for the promotion of self-reliance. It was, therefore, deemed imperative that the implementation of the \$10-11 million school project

be tailored to the needs and constraints found in Shamattawa. A project of this magnitude scheduled for a small remote community would become a critical component of development assistance and a basic building block in the development process, a privileged particle of that process. It had the potential to rechannel unused human and natural resources into productive uses and offer expanded opportunities for further development.

The school project could have become a vehicle for social and economic change in Shamattawa. The project would not have been an end in itself, but an identifiable unit of activity designed to achieve larger development goals. The proposed approach had the potential to improve the quality of life of the Band members, maximize the utilization of local resources, create employment, build up local skills and encourage further development. Instead the approach in which the project appears headed will not materially affect the socio-economic conditions on the Reserve. This major expenditure will not be an investment in the economic health and social well-being of Shamattawa. The community will remain a passive observer in the implementation process.

The option of implementing the school as a PWC Day-labour project, phased over a five year period, although it had limitations, would have been conducive to self-reliance. PWC involvement in the project would have restricted DIAND's ability to make a concentrated effort to relate construction activity to socio-economic activity. Nevertheless, the PWC Day-labour route far outweighs the benefits of either the PWC-Contract method or the Band/Contractor Joint Venture approach. The latter two options promote the self-development of a

limited few individuals, while the former approach benefits a large portion of the community. It is unfortunate that weak leadership within the community resulted in the community abandoning its original approach the 5-year Day-labour project, and pursuing the Joint Venture Option. This new preference by the Band Council gave Ottawa the reason to recommend the PWC-Contract method. Neither the Joint Venture Band Contract or PWC-Contract approach offered any significant benefits to the community: It is difficult to justify either, particularly the former, a sole source contract of \$10-11 million, not subject to the competitive process and undertaken at a great risk to the Crown by an unbonded Joint Venture Group.

The implementation of the school project had the potential to induce the release of tremendous physical and mental energy within the community. Unfortunately, the Band and its resources will remain irrelevant to the activity scheduled with only limited convergence of resource use and community needs. Until the Department ties its capital funding to development funding, Indian communities like Shamattawa will see little improvement of their deplorable state. The impetus for the change in government approach to the placement of capital facilities on reserve must however come from the community and its leaders.

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Appendix 1

Campbell - Miles letter of January 31, 1986



BUCK CORPORATION INC.

Buck Western Development Group Incorporated
at Point of Mailing: 704B - 177 Lombard Ave.
Winnipeg, Manitoba
R3B OW5

SPECIAL DELIVERY

January 31, 1986

Chief and Council
Shamattawa Indian Band
General Delivery
SHAMATTAWA, Manitoba

Attention: Chief Judith Miles

Dear Chief Miles:

Subject: Shamattawa School Complex
Construction Phase

This letter is to follow up on my telephone conversation with your Sam Miles on January 30th, 1986 about the School project.

I asked for a meeting with your council to discuss the school with you and about the awarding of the project to the contractor. Our company, Buck Corporation, made proposals to all the contractors that bid on this job about our providing construction management services. Our company includes myself, an engineer who was from Indian Affairs and an engineer from a Winnipeg construction company. We plan to contract with whoever the contractor will be.

I understand that Kingsgrove Construction is the low bidder on the job and A.K. Penner & Sons Ltd. is second. I further understand that Public Works Canada has concerns about awarding this to the low bidder - Kingsgrove Construction.

We wanted to meet with you to show you that there

January 31/86

may be a chance that the School could be delayed another year if the awarding takes any longer. In fact, Public Works has asked Kingsgrove for a 15 day extension to February 28th to make the award decision. If this happens, then the winter road won't go in and the contractor would have to wait until next year to start.

There is a very good opportunity for your band to be involved in every part of the construction phase and we are, as Kingsgrove Construction is, counting on giving the band maximum amount of:

- a) Jobs for 3 years;
- b) Training for 3 years;
- c) Renting of equipment;
- d) Assistance on repair of equipment;
- e) Financing for project involvement;
- f) Use of band resources;
- g) Sub-contracts;
- h) Recreation Services Centre for band;
- i) Assistance in obtaining funding;
- j) Acquire equipment.

The band chief and council of the Cross Lake Band where Kingsgrove Construction is building a 15 million dollar school said that you can phone them or meet with them and they would support and recommend Kingsgrove Construction.

The other area we wanted to discuss with you was the fact that everybody has been watching your school project from the outside with great interest. You, the band, have been trying to build the School yourselves for some time and did get a vote 15 commitment at one time from the minister. You were then turned down by the officials. You agreed to go vote 10 to speed things up. It was tendered. A low bidder qualified and you can request the award be made quickly and get the contract started.

We are prepared to work with you, help you and support you to see that you get this project under way immediately and that is why we would like to meet with you to discuss this. This would mean we would have someone in Winnipeg and Shamattawa full time - this at no cost to the band.