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A Field of Dreams: The Story of the Manitoba Indian Agricultural Program

BY

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Abstract

Historical Developments in First Nations agriculture provide an essential element for understanding the current state of the industry in the First Nations across Canada. Equally important is a comprehensive understanding of specific policies and programs undertaken by governments to assist First Nation farmers. One of those endeavors, the now defunct Manitoba Indian Agricultural Program (MIAP), is the subject of this dissertation.

This study is concerned with chronicling the fate of MIAP in order to ascertain the difficulties and accomplishments encountered by MIAP, as well as analyzing the problems and prospects of First Nations agriculture in general. An historical background of First Nations Agriculture in Manitoba, as well as a brief history of MIAP, are undertaken in order to situate the program within Canadian Indian policy.

The implications of the demise of MIAP are discussed, as is the contemporary situation of First Nation agriculture post-MIAP. Further insights and implications of the demise of MIAP are discussed in order to outline the present strengths, weaknesses, and opportunities for First Nation agriculture. Recommendations on government policies are also discussed in order to highlight possible future First Nation economic development initiatives.

Findings suggest that MIAP's problems mostly originated from a failed government policy, which included a lack of commitment for adequate funding, long term programming, and farmer education and advisory services as well as a lack of accountability and sufficient checks and balances within MIAP's Board of Directors. MIAP's other problems originated from a lack of commitment from First Nations governments and organizations, particularly in the support of First Nations agriculture and the settlement of land tenure issues.

MIAP did have a number of successes as well. Chief among those successes is the high level of achievement made by First Nations farmers during the MIAP period when compared to the situation that exists today. There were more farmers producing more produce from more land and receiving more income from farming than at present. MIAP farmers also were able to spread the awareness of the potential for farming to other prospective farmers, and in so doing, they acted as role models for the entire agricultural industry on First Nation communities. Most importantly, however, is the fact that the MIAP experience can be used to develop a blueprint for any future

agricultural policies in First Nations communities.

Despite the problems experienced by MIAP, the situation of contemporary First Nations farmers has deteriorated and is certainly worse than during the MIAP period. Reasons for this deterioration include the weaknesses in post-MIAP programs and policies, most notably the Canadian Aboriginal Economic Development Strategy (CAEDS). Discussions of Internal Colonialism and Political Economy arguments are also given as reasons for both MIAP's demise and the general problems with contemporary First Nation agriculture. Recommendations are made for creating a viable First Nations agricultural sector in Manitoba.

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For a non-Aboriginal person to penetrate the distant world of the Manitoba Indian Agricultural Program is not easy. Ideally, one would wish to be inside the mind of every First Nation farmer, advisor, and MIAP Board member as each walked through their daily activities. To see this world as viewed through their eyes is an impossible task. To see this world without merely restating the obvious or being motivated by an agenda that *naively* tries to help First Nations peoples is also a challenging undertaking. However, I would not have been able to even approach what understanding I do have without the help of some Aboriginal friends to whom I am deeply indebted. First among these I must mention Nahanni Fontaine, who initially discussed MIAP as a possible topic area with me while doing work for Tribal Wi-Chi-Way-Win Capital Corporation. I must also thank Larry Amos formally of the Tribal Wi-Chi-Way-Win Capital Corporation, who allowed me access to the wealth of files on MIAP available at Facs Records. Mr. Amos has encouraged and nurtured my curiosity about MIAP, and has been more than generous in clarifying the complexities of MIAP.

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Chapter One

Introduction

Introduction

Historical developments in First Nation agriculture provide an essential element in understanding the current state of the industry in First Nation communities. Historically, a number of difficulties have contributed to problems in the development of Aboriginal agricultural endeavors (Wotherspoon and Satzewich, 1993). One of those endeavors, and the subject of this study, is the Manitoba Indian Agricultural Program (MIAP). MIAP, which operated from 1975 until operations ceased in 1993, was based on the British Columbia Indian Fisheries Assistance Program (established in 1968), which involved loans and grants to make Aboriginal fishermen more competitive in that Province (Wotherspoon and Satzewich, 1993). MIAP was funded through the Federal Government and sought to promote, assist and support First Nation participation in the agricultural sector. While in operation, MIAP was the primary source of support, training and technical assistance for First Nation farmers in Manitoba (Tribal Wi Chi Way Win Capital Corporation, 1999).

Purpose

Since the story of MIAP has never been investigated academically, the purpose of this research is to document the historical development of MIAP in order to analyze the problems and prospects of First Nation agriculture in Manitoba. MIAP represents a key component in the history of First Nation Organizations in general and First Nation agriculture in particular. Therefore, such investigation will also shed light on how the discontinuation of MIAP has affected contemporary First Nation agriculture in Manitoba in addition to highlighting the implications of government Indian policies towards First Nation agriculture.

Objectives

The objectives of this study are to chronicle the history of MIAP, to document both its accomplishments and weaknesses, to shed light on the reasons for its demise, to illustrate

contemporary First Nation agriculture in Manitoba following the demise of MIAP, to offer perspectives on government Indian policy in regards to First Nation agriculture and to offer policy recommendations towards First Nation agricultural policies.

Methodology

My approach to the study involved a detailed review of program documentation and MIAP data together with unstructured interviews with MIAP farmers, Board members and other officials involved or knowledgeable about the program such as officials at DIAND, the Manitoba Department of Agriculture and Manitoba First Nation organizations. In brief, my methodology consisted of the following:

1. Review of program description literature including policy manuals, Treasury Board Submissions and previous consultant reports.
2. Review and, where appropriate and possible, conduct quantitative analysis of information in MIAP files including client files, training and corporate machinery files, minutes of Board meetings, and loan and contribution ledgers.
3. Interviews with former Board members and former staff of MIAP, including head office staff as well as field staff.
4. Interviews with a sample of MIAP client farmers and representatives of Manitoba First Nation organizations such as Assembly of Manitoba Chiefs (AMC) or the Southern Chiefs Organization (SCO).
5. Interviews with officials of DIAND, Manitoba Agriculture, FCC and Credit Union Central of Manitoba, Special Agricultural and Rural Development Agreements (Special ARDA), and any Program Auditors.

Review of Documents

Since MIAP is no longer in operation, it was necessary to locate the files concerning the program. I procured the help of Larry Amos, former Chief Executive Officer of Tribal Wi Chi Way Win Capital Corporation, and discovered that all MIAP files had been placed in storage at Facs Records Centre on 47 Gomez in Winnipeg. The wealth of information contained in the MIAP files has been placed into an imposing pile of 300 boxes with no clear delineation of categories. I

attempted to add to my research by accessing potential documentation at Indian Affairs and the Assembly of Manitoba Chiefs, but all documents concerning MIAP had been removed to the present MIAP file location at Facs Records or did not exist any longer. As a result, all documentation on MIAP appears to be at the Facs Records Centre. Other than what exists at Facs Records Centre, there appears to be very little in the way of documentation on MIAP. Neither the University of Manitoba Library, FCC, or Special ARDA documents nor the Royal Commission on Aboriginal Peoples (RCAP) (1996) appear to have any direct reference to MIAP (though RCAP does make general reference to Aboriginal agriculture in Canada). Therefore, the literature review on MIAP is based primarily on the documents procured from the MIAP files deposited at the Facs Records Centre. In addition, it should be noted that, according to Gord Van Hussen (2002), the former Training Officer for MIAP, the MIAP files at Facs Records are incomplete and many files were lost or destroyed shortly after the demise of the program.

Furthermore, the original intent was to abstract data from all client files to provide a complete picture of MIAP's clients, and to develop a data base using the file data as inputs to facilitate analysis. Unfortunately, it was sometimes impossible to compare data over the length of the MIAP tenure due to the fact that much of the file data was missing or contradictory and that which was available was not always presented in the same way. Also, my intended analytical procedure had been to trace production and financial information over the MIAP tenure (1975-1993) to gain an appreciation of changes that occurred during the life of the program or to compare the situation with non-Aboriginal farmers in Manitoba. However, only a handful of files had complete financial information over the period and there was very little information on production figures. In other words, insufficient data has limited the ability of this study to draw conclusions based on production or financial figures during the lifetime of MIAP. In addition, three different MIAP evaluations (see Intergroup, 1983; DPA Group 1990; Fossay and Cassie, 1993) all come to the same conclusions regarding MIAP data, with Intergroup (1983: 29) stating that, "the data required for such evaluation are often either non-existent or contradictory." The DPA Group (1990:4-8) goes even further by stating that:

Skepticism is warranted in light of other known deficiencies in the database, e.g. sample unrepresentativeness (it is predominantly comprised of data from the top performing farmers), possible double counting of mixed farm enterprises (i.e.

reported both under the grains and the livestock category), and inconsistencies and additional data misgivings. Tentative observation should therefore be qualified by these general misgivings.

Despite the shortcomings of the MIAP data stored at Facs Records, an assessment of the program was made based on the information which was available. Discrepancies in database figures are noted and certain inconsistencies were checked with interview evidence in order to achieve reliable data conclusions.

Furthermore, in order to access the files at Facs Records, Tribal Wi-Chi-Way-Win insisted, for legal reasons, that all farmers names be omitted from the final copy. I was able to get further data from the First Nations Agricultural producers Survey (1999), a survey that was delivered to Manitoba First Nation farmers and included an initial contact list made up of MIAP loan clients.

Interviews

From the loan client list provided by the First Nations Agricultural producers Survey (1999), I was able to locate and administer unstructured interviews with a number of First Nation farmers who utilized MIAP. Many of these individuals had given up on agricultural pursuits; many others were reluctant to get involved; and of those who agreed to interviews, all asked to remain anonymous due to the controversy surrounding the MIAP program. In addition, I was able to get valuable information from a number of individuals involved with MIAP or who had an intimate knowledge of the program. These included Jim Miller, former Economic Development Officer with Indian Affairs, Stan Bear, of Romanow and Bear Associates and Gord Van Hussen, former MIAP Training Officer. No one at either the Assembly of Manitoba Chiefs (AMC) or the Southern Chiefs Organization (SCO) were interested in being interviewed. As well, no one from Manitoba Agriculture, Farm Credit Canada (FCC) or those connected with Special Agricultural and Rural Development Agreement (Special ARDA) were willing to be interviewed. Of the interviews conducted, none were able to provide absolute production, sales, land development or income figures.

The remaining chapters will discuss the historical background of First Nation agriculture, MIAP and the contemporary period. Chapter Two gives an historical background to First Nation agriculture before the MIAP period, while Chapter Three discusses First Nation agriculture in

Manitoba during the MIAP period. Chapter Four provides a commentary on the accomplishments of MIAP and Chapter Five examines the weaknesses found in the program. Chapter Six examines the aftermath of the MIAP program by analyzing contemporary First Nation agriculture, current agricultural policies and the implications of those policies while Chapter Seven looks at the future of First Nation agriculture and offers a number of policy recommendations culled from a variety of sources including government, RCAP, the Manitoba First Nations Strategic Plan, and other sources. Chapter Eight offers some final concluding comments regarding MIAP based on my own observations and analysis.

Chapter Two

The Past: Historical Review of Aboriginal Agriculture

Agriculture has played a role in the livelihood strategies of First Nation in Manitoba since around the time of the first treaties (Miller, 1991; Carter, 1991). However, other Aboriginal groups such as the Iroquoians of the eastern woodlands (Hurons, Mohawk, Oneida, Senaca, Onondaga, Cayuga, Neutral, Tobacco etc.) areas of eastern Canada, shared a strong corn, beans and squash-based agricultural subsistence whereby up to 80% of their food derived from agricultural pursuits (Steckley and Cummins, 2001). As Friesen (1997: 67) states;

When the French first came into contact with the Hurons they were essentially being introduced to some of Canada's most successful farmers. Contrary to popular myth, Canadian agriculture did not begin with the Alberta or Saskatchewan Wheat Pool! By Canadian historical standards, farming in this country has virtually an "ancient" history.

In Manitoba, the creation of the reserve system, which accompanied the treaty-making process, meant that First Nation people would no longer be able to pursue traditional activities such as hunting, fishing, gathering and trapping, etc. as the sole source of their livelihoods (Dickason, 2000). The limited land base afforded by the reserve system, coupled with the dwindling of the bison, which had been so important to the economic well-being of First Nation people across the prairies, meant that an alternative economic base would have to be developed.

With the creation of the reserves, it was generally understood at the time that traditional livelihood strategies would no longer be sufficient for First Nation people (Carter, 1991). With limited territory available, it became clear that a more sedentary lifestyle would be required; and the treaty process sought to facilitate this as well. The crown held the view that agriculture, just as it lured thousands of Europeans into Canada, would be the ideal industry to sustain First Nation peoples on reserve. In addition, many government officials saw agriculture as a way to assimilate First Nation people (Treaties, 1978). Further, the First Nation people themselves, as they saw their traditional strategies rendered useless by over-hunting, land transfer and a burgeoning European presence, saw agriculture as an opportunity for self-sufficiency in changing times, as illustrated by Cree Chief Sweetgrass.

We heard our lands were sold and we did not like it; we don't want to sell our lands; it is our property and no one has the right to sell them. 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 in everything when we come to settle - our country is no longer able to support us (Buckley, 1992: 34-35).

As Buckley (1992) and Carter (1990) note, the terms of the treaties across western Canada were pretty much the same. They included: a grant of land, the Queen's protection, a small per capita annuity (with higher accounts for chiefs and councilors) and basic farming tools, namely: two hoes, one spade and one scythe for each farming family; one plough for every ten families; five harrows for every twenty families; and (for each band) one axe, three saws, a grindstone, an auger, carpenter's tools, seed, one yoke of oxen, one bull and four cows (Cloutier, 1957). Agriculture, it seems, was essential to the reserve concept.

Even at the time, these treaty provisions were by no means generous. Instead, they reflected the desire of the government to minimize obligations to First Nations while at the same time, securing the peaceful relations required to ensure swift settlement and establishment of the new Canadian economy (Wotherspoon and Satzewich, 1993). Although they were traditionally hunters and had no real experience living in permanent settlements, the First Nation people of the Canadian plains were keen to establish themselves in agriculture. Many could see the times were changing rapidly, and their historical predisposition towards changes and adaptability assisted them in accepting new circumstances and, in some cases they began to thrive (Rupert's Land Research Centre, 1992). At first, there were early success stories in the transition to agriculture. For example, the Dakota people arrived in Manitoba with agricultural experience from the United States. They planted gardens and raised cattle on their reserves (Elias, 1991). In fact, one of their chiefs planted test crops and ranked among the earliest farmers to plant the newly developed Red Fife wheat (Romanow, Bear & Associates, 2000; 34-35). An inspector at one Dakota reserve declared the wheat crops to be "as fine as any I had seen among white settlers" (Buckley, 1992: 34-35). Elias (1988: 222) also gives further account of the Dakota peoples who; "...developed strategies based upon the soil and an increasing experience in commercial agriculture..." Mayer (1985: 35) also talks of the interest in farming among the Cree, stating:

The Red Earth Crees, who had earlier fled the chaos of the Plains and settled in a marshy delta where the Saskatchewan River flows into lake Winnipeg, made a new life based on potato growing and cattle, which they acquired for themselves, becoming completely self-sufficient

Others provided further evidence of successful Aboriginal involvement in agriculture. For instance, Deputy Superintendent of Indian Affairs, Frank Pedley (in Rothney, 1975: 183) when discussing Aboriginal agriculture noted: "The most satisfactory and encouraging feature of the situation is the demonstration of the possession by the Indians of a spirit of independence and of sufficient self-reliance to enable them to hold their own under comparatively difficult conditions."

However, there were detractors to this position as noted by S. Swinford, Indian Agent at the Manitowapah Agency near Portage la Prairie who stated that, "the hard, steady work necessary to keep the land free from weeds and prepare it for the next year's crop is so contrary to the Indian nature that it makes grain-farming a distasteful occupation" (In Rothney, 1975: 183). Sounding like a Chicago school type of opinion (see Wotherspoon and Satzewich, 1993), which holds that "elements of Aboriginal culture create a culture of poverty" (Wotherspoon and Satzewich, 1993: 3), these detractors seem to be arguing, much like Naglar (1975) does that the Aboriginal cultural system breeds a culture of poverty. Naglar (1975), believes that Aboriginal people are unable to succeed and achieve economic mobility because of the absence of a culturally-sanctioned work ethic and the lack of emphasis on the value of education when compared to non-Aboriginal people. Such views frequently override consideration of the material factors behind the culture involved. Thus, what Naglar interprets as a cultural trait of Aboriginal people may instead be a rational reaction to their own circumstances. Consequently, the surface phenomenon of apparent cultural traits are often blamed for poverty. As Wyatt (1973:45) states when paraphrasing several books (published in 1971 and 1972) on the life of Canadian Aboriginal people:

Both the poor and the savages are uncivilizable - not successful in city civilization and not easily made successful. For both, the failure to be civilized is attributed to the failed themselves: savages remain savages because they lack culture; the poor remain in the culture "of poverty" because its values, rules, and expectations are learned early in life. Outside influences are never cited as causes for failure."

However, contrary to this Chicago school of thought, Carter (1990), Elias (1991), Buckley (1996), Wotherspoon and Satzewich (1993) and The Royal Commission for Aboriginal Peoples

feel that the failure of reserve agriculture was not due to lack of effort or interest on behalf of First Nation people, but was the direct result of inappropriate policies implemented by the federal government. As the Royal Commission For Aboriginal Peoples (RCAP) notes:

In the decade after 1885, government policies made it virtually impossible for reserve agriculture to succeed because farmers were prevented from using the technology required for agricultural activity to succeed in the West. The promotion of reserve land surrender after the turn of the century further precluded the hope that agriculture could form the basis of a stable economy on the reserves. (RCAP, 1996: 868).

This view is shared by Buckley (1992: 36) who states:

As things turned out, the hoes and scythes which the treaties promised were soon obsolete, as were the wooden ploughs and the oxen, and for the next hundred years reserve agriculture floundered, as government continued to deny its legitimate needs. This is but one example of what makes a literal interpretation of the treaties untenable in any but a strict legal sense

Another argument against the failure of Aboriginal agriculture on reserves, as expounded by Tough (1996), involves the fact that off-reserve farm labour became an important component of the post-1870 Aboriginal economy. Indian Commissioner Simpson reported in 1871 that; "...in the province of Manitoba, where labour is scarce, Indians give great assistance in gathering in the crops and I found many farmers whose employees were nearly all Indians" (Canadian Sessional Papers, Indian Affairs, 1872: 31). Another annual report in 1901 noted the example of Aboriginal participation in off-reserve farm labour in Sandy Bay, stating that; "The greater part of the adult male portion of the band came down to work in the Manitoba grain fields during harvest and threshing" (Canadian Sessional Papers, Indian Affairs, 1801: 98). Tough (1996: 202) stated this "was seen as distracting from reserve development." He goes on to give examples:

Indian Agent Jackson argued that the Ebb and Flow band 'go out to work with farmers a good deal and neglect their own places.' Similarly, [Indian Agent] Swinford recorded that Indians "can get such steady work at good wages with the settlers that it is difficult to keep them on their reserves long enough to look after their own little farms in a proper manner." In this sense, farm wage labour conflicted with reserve gardening and the policy priorities of the Department of

Indian Affairs (Tough, 1996: 202).

As a result, the failure of reserve agriculture during this time, can be attributed to the attraction of off-reserve farm labour opportunities, and not due to cultural traits or simply the failure of government policies.

However, others point to government policy, which was heavily influenced by the thought that Aboriginal peoples cultural traits were uncivilized, as the reasons for the failure of on-reserve agriculture. Early agriculture policy on reserves played a small role within a larger policy framework for dealing with First Nation people and settling them into the reserve system (Buckley, 1992). The main policy goal, beyond economic development, was the civilizing of a people that were largely viewed as inferior. This overriding policy goal was set up within a larger plan that involved missions, residential schools, farm instructors and a large team of civil servants, including "Indian Agents" who set out to absorb First Nation people into the mainstream economy (Buckley, 1992: 39).

It was this overriding belief that Aboriginal people were backward and inferior, a view held by key government officials that led to the establishment of policies which not only did not facilitate development, but entrenched dependency and poverty into the First Nation communities. One of the early architects of Indian policy on the prairies for the federal government was Hayter Reed. Beginning his civil service career as an Indian Agent, Reed's beliefs and approaches led to his bureaucratic rise to Deputy Superintendent General of Indian Affairs in 1893. Reed held the belief that the Aboriginal people were inherently inferior. He believed it was the government's responsibility to manage the affairs of the "ignorant savages" (Carter, 1990: 142). Under Reed's leadership, the role of the Indian Agent was solidified as a paternalistic dictator who should readily utilize his power and control within the Indian reserves to forcibly change Indian character and culture.

By 1884, Aboriginal leaders were complaining that treaty obligations were not being honoured (Rupert's Land Research Centre, 1992). The supplies agreed upon in the treaties proved inadequate, and frequently seeds, tools, oxen, and rations that First Nation had been promised never arrived (Treaties, 1978). The governments reply was that "the Indians had no good reason for serious complaint.... They were most generously treated by the government far beyond any expectations they could have entertained under the most liberal interpretation of the treaties"

(Vankoughnet, 1884 In Treaties, 1978: 80). Several explanations for the governments actions have been advanced. One is that the Aboriginal peoples of Manitoba and the North West Territories were, in the governments opinion, not yet sufficiently advanced to make the best use of the promised tools, livestock and schools (Treaties, 1978). Another possibility is that the government either believed that minimizing government assistance would force Indians to greater self-sufficiency or the half-hearted nature of government policies toward Aboriginal people was simply due to budgetary restraints (Tittley, 1986).

Another reason for not honouring government promises, as suggested by the Rupert's Land Research Centre (1992: 149) was that the "Victorian mind-set" impelled government leaders to institute such farming policies. This mind set is also investigated by Prentice (1977) in terms of improving Canada's lower classes through education. According to Prentice (1977), social theorists of the late 1800s believed that societies developed on an evolutionary basis, that Aboriginal peoples were primitive and had to pass through the various stages of social development before reaching the civilized condition. Because each society had to pass through all the stages, being unable to leap from Stone Age to the nineteenth century in one bound, Aboriginal people were prevented from using any state-of-the-art techniques that were available to their socially advanced neighbours. The imposition of what was essentially peasant agriculture and the restrictions against the use of labour-saving devices were designed to assist Indian societies to pass through all the evolutionary stages of social development in sequence (Rupert's Land Research Centre, 1992; Prentice, 1977).

In spite of these obstacles, Aboriginal farmers had considerable success. Some managed to buy necessary equipment without Department aid by pooling their money and sharing costs of machinery. Handicapped as they were, Aboriginal farmers in the late 19th century were showing signs of becoming successful agriculturalists. Hull (1982) reports that in the Treaty Six and Seven areas in Saskatchewan, Aboriginal people were actively interested in becoming farmers, that Aboriginal farmers steadily increased the number of acres under cultivation, and that they were able to grow enough food for both subsistence and occasional sale in the market. In fact, both Carter (1990) and Buckley (1992) argue that Aboriginal people were quickly producing higher quality wheat and cattle than their non-Aboriginal neighbours.

However, by the late 1880s, settlers were complaining of 'unfair' competition from Aboriginal farmers. A petition from residents of Battleford, Saskatchewan, in 1888, "protested

Indians raising produce that was so high-quality and so abundant that they, the white settlers, were shut out of local markets (Carter, 1989:36). The result of these protests caused Reed to institute the approved system of farming policy in 1899. The approved system of farming, was intended to “destroy... the tribal or communist system... and implant a spirit of individual responsibility instead” (Reed. In Carter, 1989:30). The approved system of farming dictated that Aboriginal farms were to remain small. One acre of wheat, one acre of roots and vegetables, and one cow were considered sufficient as a subsistence base for most families (Carter, 1989).

One year later, the Indian Act amendments of 1890 prohibited the selling of produce and livestock by Aboriginal farmers (Tobias, 1983; Treaties, 1978). For example, section 32 of the 1890 Indian Act states that;

A transaction of any kind whereby a band or a member thereof purports to sell, barter, exchange, give or otherwise dispose of cattle or other animals, grain or hay, whether wild or cultivated, or root crops or plants or their products from a reserve in Manitoba, Saskatchewan or Alberta, to a person other than a member of that band, is void unless the superintendent approves the transaction in writing. (Indian Act. In Rothney, 1975: 164).

The 1890 amendments to the Indian Act limited on-reserve farms to forty acres, while early settlers were allotted a minimum of quarter section (160 acres) farms to get started. Further, while the settler farmers were intensifying profit yielding grain crops, Reed preferred First Nation farmers to plant root crops, whose labor intensive cultivation he felt would teach the Aboriginal farmers diligence and attentiveness (Romanow, Bear & Associates, 2000). Without adequately sized farms, First Nation producers could aspire to no more than peasant agriculture (Buckley, 1992). Further, the 1890s brought even more restrictions to First Nation farming, most notably, the introduction of the permit system. The permit system, in which Aboriginals were required to obtain a permit from the local Indian Agent to either purchase or sell goods, effectively eliminated the single greatest incentive to any economic activity on the reserve or anywhere - money. Aboriginal farmers were paid with “chits” for their produce that could be exchanged for goods only at the local store (Buckley, 1992).

The permit system afforded the Indian Agents a great deal of authority on the reserve, and there are numerous historical accounts of the agents using this authority as a device for control (Getty & Smith, 1978; Hoxie, 1989). If there was a band member that the agent did not like, or a

transaction he did not approve of, for any reason, he could deny or delay a permit indefinitely (Buckley, 1992). While there were cases of individual Aboriginal farmers who did achieve some measure of success, they were usually individuals selected by the Indian Agent for their "whiteness" or "progressiveness" (Carter, 1990: 147). Though no data could be located concerning how often Indian Agents were approached to approve sales/purchases of agricultural items, there are numerous accounts of the permit/chit system and Indian Agent influences on reserve agriculture (See Getty & Smith, 1978; Goodwill and Sluman, 1984; Elias, 1988; Hoxie, 1989; Carter, 1990 and Buckley, 1992). Buckley (quoting Elias, 1988) gives an example of one such Indian Agent by stating that:

The permit system was condemned by many settlers who "were incapable of imagining themselves having to operate under such strictures," but the government paid no heed and the more enthusiastic agents could make the system even worse. W.A. Markle, who had charge of several "go-ahead" Dakota bands in the 1890s, was rigorous in his enforcement of the ban on credit "In this way," said he, "I hope to assist the indians to spend their gains from farming to best advantage." He expropriated cattle which the Dakota had purchased and hired an instructor, whose main duty was to search out offenders in the matter of alcohol purchase. (Buckley, 1993: 54).

Furthermore, Aboriginal farmers were forbidden to use machinery or have labour-saving devices and were expected to make most of their own tools themselves. It was felt that if Aboriginal farmers could not bring in their harvests by hand, they were expected to hire extra labour, or else return some of their reserve lands to the Crown (Carter, 1989). The government's reasoning according to Carter (1989) and the Rupert's Land Research Centre (1992) was that the busier Aboriginal farmers were, the less opportunities they would have to get into trouble. Collective farming was also forbidden, because, according to Reed, community ownership would not encourage Aboriginal people "to become self-sufficient as individuals not as bands" (Carter, 1989:34). Superintendent-General Dewdney noted in 1889 that:

One of the most assuring indications of the growth of advanced ideas among the Indians recently taken in hand is the willingness, and in some cases preference, shown by many of them to accept of separate lots of lands, over which they can exercise individual control as locatees... the ownership within recognized bounds of a location inspires the holder of it with a desire to improve his holding, and with wholesome spirit of emulation, to which, under the prevailing system of community of ownership, he was previously a complete stranger. (Indian Affairs, 1889).

Indian Affairs actively opposed communal production in favour of private competition. The rationale offered for this policy according to Rothney (1975) reflected capitalistic ideology of private land ownership and the encouragement of individual self-sufficiency. According to Rothney (1975), instead of channeling communal sharing into collective economic planning, government officials supported individualistic, bourgeois culture. Hence, drawing on the 1895-'96 Indian Affairs annual report, Zazlow (1971: 93) notes:

Gradually these northern [north of the N. Sask. R.] reserve Indians began putting in crops, and some even began to show a change of outlook that caused Agent John Ross of Saddle Lake Reserve to rejoice: "they are displaying more thrift and the former custom of sharing with their neighbours and of giving feasts when their supplies were in a flourishing condition, has nearly altogether ceased, and they now put in practice the maxim of 'every man for himself.'"

However, private lots and individualistic culture minimized potential economies of scale and collective bargaining power, thus facilitating the severe subordination of Aboriginal communities to state and capital. Therefore, it has been suggested that the fortunes of Aboriginal peoples as farmers was directly and indirectly tied to the larger fortunes of Canadian capitalism (Rothney, 1975; Dempsey, 1978; Wotherspoon and Satzewich, 1993)

Furthermore, the idea of the self-sufficient farmer and independent yeoman farmer, meeting all the family's needs through home-farm production, is "another one of the myths, dear to the hearts of Canadian intellectuals like Stephen Leacock, created and treasured by non-agricultural urbanites" (Rupert's Land Research Centre, 1992: 149). In fact, few Aboriginal farmers were able to survive solely on what they produced for their own use. Farms and farmers flourish only when they have access to commercial markets, a point that has been well-made by a number of Canadian historians in studies of the development of agriculture in Quebec, Ontario, the Atlantic provinces and Red River (Bumstead, 1987; Clark, 1968; Eccles, 1969; Little, 1989; McCallum, 1980; Spry, 1979). Cree farmers were no more able to survive on the produce of their few acres than French-Canadian habitants, Ontario yeoman, and Metis farmers were on theirs (Rupert's Land Research Centre, 1992).

In addition, Lipset (1968) and Rothney (1975) point out that Mennonite settlements, which initially appeared in Manitoba during the 1870s, had experienced steady, relative economic success

alongside community economic cooperation (as was also experienced by Hutterite colonies first established on the prairies during World War I). Eventually, most prairie farmers undertook cooperative action, building bees, cooperative barn raisings, pooled purchases, cooperative harvesting and threshing as well as shared ownership of large machinery. Moreover, as a reaction against monopolistic surplus appropriation, non-Aboriginal farmers increasingly relied upon collective marketing and political lobbying. For example, in 1901, the Grain Growers Association was launched and in 1906 it formed a farmers' cooperative grain handling agency. Over the next two years the Manitoba branch (along with the Saskatchewan and Alberta branches) passed resolutions in favour of nationalization of all grain elevators. By 1916, 28,000 out of 104,000 Saskatchewan farmers belonged to the G.G.A. (Lipset, 1968).

It is clear that self-employed non-Aboriginal farmers relied upon collective action in their struggle against monopoly capital. In so doing, they made much use of electoral political pressure. On the other hand, because of the terms of wardship imposed upon registered Indians, First Nation farmers were roundly criticized for doing in the 19th century what became the norm in the 20th century (Rupert's Land Research Centre, 1992).

The stated purpose of the 1890 Indian Act legislation was to teach status Indians to cultivate their farms. In practice, the prohibition made reserve agriculture even less viable by preventing them from competing with Euro-Canadian farmers in what few commercial markets there were (Tobias, 1983; Treaties, 1978; Tough, 1996).

Further undermining of the development of reserve agriculture, as explained by Wotherspoon and Satzewich (1993), took the form of dispossessing Indian bands on the prairies of their most valuable and productive farmland which they had chosen under the terms of the treaties. As noted by Carter (1990), during the turn of the century, residents (including town merchants and surrounding white farmers) in the Broadview area of Saskatchewan had for several years covetously eyed the lands reserved for the Crooked Lakes band. They sent letters and petitions and met with government officials to press for the annexation of reserve land. For example, a 1902 petition to Clifford Sifton, the Minister of the Interior, stated that:

whereas the proximity of the Reservation seriously retards the development of these towns [Broadview and Whitewood]...[and] whereas the Reservation which occupies an area of two hundred and eighty-five square-miles is much in excess of the

requirements of the present Indian population... that the honorable Minister of the interior use his best offices to provide the assent of the Indians to the sale of this land to actual settlers. (Department of the Interior, 1902)

Of the approximately 200 signatures on the petition, the majority consisted of town merchants or surrounding area farmers. The government eventually relented and transferred the most productive of the reserve lands to private settler control (Department of Indian Affairs, 1902). A similar instance in Manitoba occurred in The Pas in 1879 and the St. Peter's Band in 1907 (Coates & Morrison, 1986). Wotherspoon and Satzewich (1993) argue that the dispossession of Aboriginal lands and the failed Aboriginal agricultural policies were the result of particular class-based interests. The existence of land reserved for Aboriginal people was identified as a barrier to the economic interests of non-Aboriginal farmers and businesses.

As a result of the approved system of farming policy, Status Indians were effectively prevented from working what agricultural land they had, and then the fact of uncultivated land on reserves was used as an excuse to force surrender of the land for use by non-Aboriginal settlers. In fact, Rothney identifies the expropriation of reserve lands as one of several external factors which conflicted with reserve agriculture. For instance, in 1907-08 the law was changed to promote the sale of reserve lands (Indian Affairs, 1873; Rothney, 1975). Prairie Commissioner, Laird, wrote:

The amendment in the new law which permits of fifty per cent of the money derived from the sale of surrendered lands being immediately used, and the investment of the returns in outfitting Indians for work and enabling them to improve the conditions in which they live, has led many of the Indians to make surrenders. (Indian Affairs, 1873: 21)

Laird attempted to rationalize government encouragement of private purchases of reserve lands by stating that the "Indians were unable to make use of all the reserve lands (Laird. In Rothney, 1975: 166). In addition to the sale of uncultivated reserve lands, some Aboriginals were persuaded to move away from prime agricultural land to new reserve sites. According to Zaslow (1971: 232-233): 'By a move that gave rise to much long, bitter controversy, the historic St. Peter's Reserve, near Selkirk, Manitoba, was exchanged for another near Fisher River (Peguis) along the coast of Lake Winnipeg, which was deemed better suited to the Indians occupational interests and threw fewer urban temptations in their way.'

Along with land surrenders, government Indian farm policy was guaranteed to prevent

Aboriginal success when it shut them out of competition with white settlers and took away potential agricultural land. It is not difficult to conclude, as Carter (1989: 50) has done, "that the administration acted not to promote the agriculture of the indigenous population, but to provide an optimum environment for the immigrant settler."

Carter (1990), also argues that rather than develop and implement policies that could assist the First Nation people with the establishment of a viable economic base, the Federal Government appeared much more concerned with acculturation and assimilation of the Aboriginal people. Carter stipulates that it was expected, at this early point in federal Indian policy, that the backward First Nation people would gradually be "trained for enfranchisement and for the privileges and responsibilities of citizenship" (Carter, 1990: 146). In this light, a long-term economic development strategy for reserves would not be seen as important. Despite the fact that successful aboriginal agriculture could be viewed as a form of acculturation, given that agriculture dominated the Canadian economy, it can be argued, as Rothney (1975) and Wotherspoon and Satzewich (1993) do, that the fortunes of Aboriginal people as farmers was directly tied to the larger fortunes of Canadian capitalism. In other words, the initial success of Aboriginal farmers created conflict with non-Aboriginal farmers. Given the limited nature of local markets for the sale of produce in western Canada in the late 19th and early 20th centuries, Aboriginal farmers were competing for the same urban markets as non-Aboriginal farmers. The latter saw government assistance to Aboriginals for farming as unfair competition. Local farmers in western Canada appear to have successfully lobbied federal and provincial levels of government to engage in practices and implement legislation to undermine Aboriginal farmers' ability to compete. The argument here is that state policy, despite its possible intention of assimilating Aboriginal people through agriculture, was in potential conflict with non-Aboriginal producers who were seeking the same markets. This undermined the development of reserve agriculture which involved the forced sale of more productive lands, restrictions on the sale of produce, and restrictions on Aboriginal farmers' use of technologies to increase productivity.

Wotherspoon and Satzewich (1993), point out several explanations for state policies concerning Aboriginal agriculture at this time. They insist that:

The dispossession of Indian lands was not effected simply because of "bad planning," incompetence, or maliciousness on the part of state officials. Second, it

was not "white" people in the abstract that pressed for the dispossession of Indians from their land, but rather "white" people who occupied particular positions in the relations of production: those who had particular class-based interests. Third, the existence of land reserved for Indians was identified as a barrier to the economic interests of farmers and small businesses. And fourth, businessmen and farmers placed pressure on the state to engage in particular practices that were in their best interests, but that were clearly not in the best interests of Indian people. Certain classes of "white" people were able to use the political system to suppress the ability of Indians to establish an independent agricultural base (Wotherspoon and Satzewich, 1993: 256)

In short what appears to be a case where Indian Affairs officials did not have Aboriginal farmers best interests in mind, instead appears to be a situation where Indian Affairs officials had land speculators and small business interests at heart when they undertook to dispossess Aboriginal people of their land. This is an example of the contradictory nature of the pressures faced by the state in the area of Aboriginal agriculture that some (such as Wotherspoon and Satzewich, 1993) would argue existed throughout the remainder of the 20th Century.

The expropriation of reserve lands on the prairies peaked near the end of World War I (Rothney, 1975). By the time of the depression, Aboriginal agriculture was decreasing rapidly (Indian Affairs, 1990). It appears that the depression had a more negative impact on Aboriginal than non-Aboriginal farmers. In the context of the mechanization of agriculture and the growth in farm size, particularly after the depression, Aboriginal farmers were less able to compete than they had been (Tyler, 1966; Wotherspoon and Satzewich, 1993). Because Aboriginal farmers could not mortgage reserve-based property, they had restricted access to credit to finance expansion and mechanization (Dempsey, 1978). This process is reflected in the Indian Affairs (1990) Annual Report figures between 1899-1946. From 1899 to 1929, Aboriginal people gained 31.5 percent of their total income from farming and ranching activities which represented the most important source of income over wage related work, fishing, trapping and hunting. However, during the period from 1930-1939 this farm figure drops to 27% and after 1940 declines to 20.8 percent. In addition, during the 1940-1946 period wage related work replaced farm activities as the most important source of income for Aboriginal people rising to 30.8 percent (Wotherspoon and Satzewich, 1993). Further evidence can be found in Tough's (1992) analysis of Aboriginal income between the years 1896 - 1935. Using income data from the Department of Indian Affairs, Tough noted that in many regions of Manitoba, First Nation agriculture dropped in all regions during the 1896 - 1935 period

except the Manitowpah region (which included reserves in the Interlake area such as Lake St. Martin and Winnipegosis) (Tough, 1992). Additionally, wages in all areas rose considerably supporting the figures from Wotherspoon and Satzewich (1993). Collectively, then, these sources suggest that the economic marginalization of Aboriginal farmers was finalized in the 20th century.

However, Tough (1992: 96) does state that there is a “lack of useful information in the annual reports after 1917” and that there is an “overall paucity of archival records for the Department of Indian Affairs after the 1920’s.” In addition, I have found that Indian Affairs records after the 1940s tend not to list agricultural incomes suggesting that agricultural figures were not important or were too insignificant to be included in income figures following the 1940s. During this time, government assistance and wage related work become the dominant incomes of First Nation people according to the statistics from Indian Affairs reported in Wotherspoon and Satzewich (1993). Furthermore, statistics for agricultural incomes of First Nation producers are impossible to find until the Manitoba Agricultural Survey was completed in 1971.

Given these circumstances and the availability of government assistance and cash wages off-reserve, particularly during World War II when general labour shortages were acute, it is not surprising that many First Nation farmers gave up on farming to pursue either government assistance or casual labor, typically on off-reserve non-Aboriginal farms (Romanow, Bear & Associates, 2000). The end result of government policy therefore, was the virtual destruction of the on-reserve agricultural economy and the creation of a low wage casual pool that was very much to the benefit of the non-Aboriginal farmers (Romanow, Bear & Associates, 2000). As the on-reserve farms were being cut or limited in size, non-Aboriginal farms were growing as fast as the farmers could afford to purchase more land (Romanow, Bear & Associates, 2000).

Knight (1978) Lithman (1984), Loughran (1996) and RCAP (1996) all suggest that it was during the post-1945 period that there developed a “welfare economy” on reserves. Aboriginal peoples appear to have been displaced from their jobs by returning war veterans and immigrant workers who were recruited for unskilled manual labour employment beginning in the late 1940s. In addition, Clement (1988) suggests that the large-scale economic marginalization of Aboriginal peoples in the farming economies of the prairies began with the renewed capitalization, mechanization, and “decasualization” of labour that was associated with the resource boom in the 1950s and 1960s. Furthermore, the Indian Act amendments of 1951 abolished the pass system and

the right to buy and sell without permission was recognized. In addition, the Expropriations Act was repealed, as were clauses concerning land surrenders without Band consent. However, the original philosophy of the 1876 Indian Act of civilize and assimilate was not abandoned, nor was the goal of speedy integration (Treaties, 1978).

During parliamentary hearings before the passage of the 1951 Indian Act Amendments, the Indian Association of Alberta noted the anomalous position of the Superintendent General in relation to the Crown and his clients, stating:

Difficulties appear to have arisen in Indian Affairs because the same person has sought to act and represent both the Crown and the Indians.... In this inconsistent position... he has, therefore, leaned heavily in favour of the Crown, it being the stronger, more vocal and the more affluent of the two parties (Treaties, 1978: 138).

Even so, the new Act did not significantly alter the paternalistic approach of the government. First Nation people continued to be wards of the state in need of civilization and assimilation (Ponting & Gibbins, 1980).

During the following period (1959-1969) INAC expenditures grew three times as fast as federal government expenditures as a whole (Loughran, 1996). First Nation special status coupled with First Nation poverty and a high rate of population growth (particularly from the 1950s), was clearly creating a financial problem for the federal government (Loughran, 1996).

As a result, there were some government efforts to reverse the damaging effects of early policies during the early 1960s. One attempt, according to Ponting and Gibbins (1980), failed because the old philosophy and the old rules remained in place. A test program in the early 1960s called the Community Development Program, which was designed to mobilize Aboriginal populations by creating better social and economic conditions through community participation, initiative, and self-reliance was organized on 62 reserves. Though not solely designed to help Aboriginal agriculture, the test program did attempt to include reserve agriculture as part of its program (Rupert's Land Research Centre, 1992). However, Ponting and Gibbins (1980) as well as Weaver (1981), contend that the program:

...disintegrated in a welter of bureaucratic infighting and conflicts among the community development staff, Indian agents, senior bureaucrats, and factions in the Indian communities. The community development staff, torn between loyalty to their

employer and to the Indian people, frequently found themselves as partisans on the side of the Indians against the government, and as such their support and effectiveness within the Indian Affairs bureaucracy rapidly dissipated (Ponting & Gibbins, 1980: 21).

Superintendents resented challenges to their authority, and their dissatisfaction bounded up the bureaucratic ladder. The program was terminated with the realization that the Department's continued existence was at stake (Weaver, 1981).

In mid 1968, a majority Liberal Government was elected with Pierre Trudeau as Prime Minister. This government, in its early years, pursued its policy of a "Just Society." Consistent with its liberal individualism and its concern about expenditures on First Nations and about First Nation dependency on government, the Trudeau Government, in 1969, issued its Indian policy paper known as the "White paper," which attempted to terminate the Indian Affairs Branch and eliminate Indian Special status, among other things (Loughran, 1996; Weaver, 1981). Within a year, in the face of a strong, negative reaction from Indian leaders, provincial governments and the general public, the Prime Minister formally withdrew the policy. The episode soured relations between First Nation leaders and the government and indicated to the government that if greater integration with Canadian society was to occur and the future drain on finances was to cease, First Nation - government relations had to be recast so as to undo, or to avoid creating or reinforcing, special dependencies on government.

With this in mind, programs such as the Agricultural and Rural Development Act (ARDA), Special Agricultural and Rural Development Agreements (Special ARDAS), and Economic and Regional Development Agreements (ERDAS) were created under the newly created Department of Regional Economic Expansion (DREE). These programs were to coordinate their activities with the developmental activities of other federal departments and the provincial governments. These programs were supposed to mobilize more comprehensive, multidimensional attacks on regional disparities (Loughran, 1996). Furthermore:

Provincial input was encouraged through joint, regional policy and administrative committees, and through provincial involvement in defining the foci of subsidiary agreements (Loughran, 1996: 109).

However, these programs had very little success in bringing reserve lands into effective

agricultural use (RCAP, 1996), partly because DREE did not have, in general, sufficient financial clout nor organizational power to perform these duties (Loughran, 1996). By the early 1970s, First Nation people, for the most part, had given up on the agriculture industry as a component of the reserve economy despite the fact that agriculture was developing and thriving in non-Aboriginal communities (Romanow, Bear & Associates, 2000). Figures from the Manitoba Agricultural Information Survey (Manitoba Agricultural Program Committee, 1971) show that by 1971, there were only 52 self-supporting Aboriginal farmers in Manitoba, earning an estimated \$3,200 per farm unit (over 90% of these farmers were earning much of their income from off farm activities) (MIAP 1980). This earnings estimate was significantly below the 1972 Manitoba average of \$14,225 (Manitoba Agriculture, 1972). The Manitoba Agricultural Program Committee (1971) also points out that the Indian agricultural gross farm production was \$465,000 compared to the Manitoba gross agricultural production of \$525,109,000. In addition it was reported that less than 47% of actual agricultural land (170,000 acres) on the 26 reserves identified as being within the Manitoba agricultural zone was actually developed in 1971, and much of that was being farmed by non-Aboriginal farmers (P.M. Associates, 1978). This was the result, according to P.M. Associates (1978), of a number of factors including undercapitalization and a lack of machinery and technical knowledge on the part of Aboriginal farmers (Manitoba Agricultural Program Committee, 1971).

However, Baron (1973) offers a number of alternative views as to why Aboriginal farming was almost non-existent. He recounts a story told to him by Ed Anderson (a Fairford Reserve member who helped form the Manitoba Indian Agricultural Committee in 1971 and would later become chairman of MIAP). At the time, Indian Affairs provided very hard to get loans to farmers who showed great potential. Anderson recalled:

To see that the loan was secure, Federal officials monitored his farm operations. He recalls learning of one visit when he, and his wife and a couple of hired men were in the fields building fences and breaking land to seed tame forages. One officer saw little sign of work around the buildings and didn't bother to seek out Anderson. "And," he says, "he drew up a report saying that we weren't making progress." (Baron, 1973: 12 - 14).

Anderson also offered another example of Indian Affairs clumsiness:

An Indian farmer with a loan from the Department suffered a tractor breakdown

early in haying. He paid for the tractor repairs with a cheque. Despite the fact he had just sold some cattle and he knew he had money in the bank, it bounced. The reason, he discovered, was that Department officials had put the cattle money into his savings account where withdrawals could only be made with their approval. (Baron, 1973: 14).

Baron (1973) also lists a number of other reasons why Aboriginal farming has been a failure, based on discussions with a number of First Nation farmers, many of whom would later help form MIAP. He states that:

Indians never had the background to farm successfully. Most weren't raised on a farm, didn't belong to 4-H clubs and didn't grow up with farm fathers who could show them how to make farm management decisions... [Also] when reserve farms were managed by the Canadian Government's Indian Affairs Branch, band members had no chance to develop their management abilities and their confidence. That's why their interest in farming died... and why band farms in Manitoba were done away with in 1957. (Baron, 1973: 12).

By the early 1970s, it was apparent that government programs were inadequate to the needs of Aboriginal farmers and the first seeds were sown to develop a new program that would be Aboriginal driven and not reinforce special dependencies on government. This program would eventually become MIAP (See Chapter Three).

Conclusion

In the late 19th and early 20th centuries some promising starts were made at reserve agricultural development. However, commercial land pressures, divisive Indian Affairs policies, concentrated merchant bargaining power, the attraction of off-reserve farm income, and the Indian Act, stifled the progress. Aboriginal farmers were effectively prevented from working what agricultural land they had, and then the fact of uncultivated land on reserves was used as an excuse to force surrender of the land for use by non-Aboriginal settlers further disrupting Aboriginal agriculture. Government Indian farm policy was guaranteed to prevent Aboriginal success when it shut them out of competition with non-Aboriginal settlers as a result of pressures from non-Aboriginal merchants and settlers. Presented in these terms, an analysis of Aboriginal agriculture

must be grounded in the consideration of Aboriginal peoples' struggles for subsistence and survival under changing material circumstances. In addition, the status of Aboriginal agriculture within Canada has been severely affected by the role played by the state in regulating Aboriginal life. Resentment and despair were the predictable outcomes, and many Aboriginal farmers abandoned their farms to look for other means to survive. In sum, to quote Rothney (1971: 175) "underdevelopment has long been characteristic of native communities caught in capitalist-dominated, social relations of production." In the next chapter, I will discuss the history of MIAP from its early inception to its demise in 1993.

Chapter Three

A History of MIAP

Introduction

Historically, Government programming and management of the agricultural industry on First Nations reserves was project oriented and ad hoc in application. Progress had been slow and infinitesimal in results (MIAP, 1980). In addition, Baron (1973) comments that overly generous welfare programs discouraged Aboriginal people from working and that many First Nation members with farm management ability and other agricultural talents had left the reserves to take opportunities elsewhere. However, In 1970, the Department of Indian Affairs introduced a policy of Program Review and Development, the underlying principles of which included joint program planning and consultation by First Nation community members and organizations, the Provinces and the Department. As a result of this policy, throughout the mid 1970s and 1980s, beginning with MIAP, Indian and Northern Affairs Canada funded a series of agricultural programs across the prairies that included in 1975 the Saskatchewan Indian Agricultural Program (Kennedy, 1980; Resource Initiatives Ltd. (a), 1985), in 1979 the Alberta Indian Agricultural Development Corporation (AIADC, 1986), and in 1984 the Indian Agricultural Program of Ontario (IAPO, 1984; Resource Initiatives Ltd. (b), 1985). In Manitoba, beginning in 1971, the Manitoba Indian Agricultural Committee (MIAC) was formed (Northern Affairs, 1983) to draft a proposal that called for First Nation to direct an Aboriginal agricultural program. From this committee, the Manitoba Indian Agricultural Program (MIAP) would arise in 1975.

Pre-MIAP Period

The concept of MIAP actually began in 1969 with a conference at the Viscount Gort Motel on what was referred to as the "Manitoba Project," which discussed the merits of First Nation people planning and programming programs (much of which still continues today) specifically for their communities (Manitoba Project, 1969). The emphasis of this conference was on discussing the devolution of programs managed by Indian and Northern Affairs Canada (INAC) and the transfer of these programs and their resources to First Nation people. Farming was included in the discussions despite the fact that INAC did not have a stand alone program for Aboriginal

agriculture. The Manitoba Project discussions illustrated the potential for agricultural development on reserve communities and exposed the lack of an overall agricultural development policy. In addition, it identified the need for the planning and development of a regional agricultural program through consultation with Aboriginal people and appropriate federal and provincial agencies. Shortly after, in 1970, the Department of Indian Affairs introduced a policy of Program Review and Development, the underlying principles of which included joint program planning and consultation by First Nations, the Provinces and the Department (Baron, 1973). In keeping with this policy, "the Federal Department of Indian Affairs requested a committee be set up to develop a new farming program" (Baron, 1973: 12). To this end, the Manitoba Indian Agricultural Committee (MIAC) was formed in 1971 for the purpose of identifying resources, potentials, current activities, problems and overall program needs. The MIAC committee included First Nation farmers Ed Anderson (Chairman), Chief Howard Starr, James Moar, Tom Cochrane, and Oliver Nelson as well as representatives of the Manitoba and Federal Governments and an agricultural consultant (MIAP, 1980).

In 1971, an inventory of reserve agriculture resources was undertaken to determine the potential for Aboriginal agriculture within the Province of Manitoba (Manitoba Agricultural Development Committee, 1971). The findings of this inventory analysis revealed the need to develop a First Nation agricultural program. At the time, some 26 reserves were identified as being within the Manitoba agricultural zone. The total acreage in these reserve areas was 335,170 acres of which 50% was considered to be of agricultural importance. However, less than 47% of this agricultural land was actually developed in 1971, and of that developed land, only 40,126 acres was cultivated by Aboriginal farmers (the remainder was farmed by non-Aboriginal people) (MIAP, 1985). Furthermore, there were only 52 self-supporting Manitoba Aboriginal farmers in 1971, earning an estimated \$3,200 per farm unit. This was significantly below the 1972 Manitoba average of \$14,225. MIAP (1992:2.0) also stated that, "the average Indian farm production was around 11% of the provincial average" at this time. According to the DPA Group (1990), First Nation farmers, when compared to non-Aboriginal farmers, were mostly operating subsistence farms (based on the very low estimated earnings of \$3,200 per First Nation farm unit) with little modern equipment, little access to credit (due to Section 89 of the Indian Act which made it impossible for First Nation farmers to use property on reserve for security loans, meaning any credit would have to

be based on a borrowers' reputation), and little or no record keeping (DPA Group, 1990). Because they used fewer chemicals or fertilizers, and had little training in farm practices, their yields, income and assets were lower than non-Aboriginal farmers. Furthermore, First Nation farmers often harvested or seeded late and improved their farm practices by trial and error, using few Manitoba Agricultural services (DPA Group, 1990). In addition, the Manitoba Agricultural Development Committee (1971) stated that non-Aboriginal farmers leased much of reserve land and little new land was being developed. The committee, as a result, considered the creation of a program which would provide the Aboriginal people living on these 26 reserves with the means to help themselves establish an economic life through the planning and development of agricultural resources

The committee, following its initial work of identifying the resources, agricultural potentials, current agricultural activities, program needs and potential problems, met on 22 occasions with First Nation farmers, Band Chiefs and councilors (MIAP, 1980). Following these meetings, a draft program document to create a new First Nation farming program was prepared and submitted to the Department of Indian and Northern Affairs. This draft was presented and endorsed by the Manitoba All-Chiefs Conference in March and August of 1972. The draft proposed the establishment of a separate entity which would be "responsible for the overall delivery of a comprehensive agricultural development program to the Indian people of Manitoba" (P.M. Associates, 1978) Further consultation was held regarding program implementation with the Manitoba Indian Brotherhood Executive later that year. Under the MIAC proposal, as reported by Baron (1973:14):

Indians themselves would set up individual farm units with technical assistance from competent farm advisors. At the start, a local review program would identify people who want to farm. Training and extension programs would be set up to help them develop their skills...Advisors would help Indian farm families develop their farm budgets, provide technical services and advise them of the various extension courses and agencies.

Furthermore, Baron (1973:14) reports that the proposal specified that a:

special loan program would be developed to help them [Indians] buy machinery, livestock and buildings and a thorough credit counseling would be provided...Cattle herds would be set up and loaned to individuals or bands so people involved could get experience and help in becoming established. At the end of 3 years, those who

prove capable of managing livestock could buy the herds at a percentage of the original cost price.

The proposal also suggests that as young First Nation members graduate from colleges of agriculture, they should be employed as extension workers with other new First Nation farmers. MIAC further predicted that the proposal could improve the incomes of the already established reserve farmers in addition to training another 200 First Nation farm families to farm successfully.

In February, 1973, an official presentation of the proposed program was made to the Minister of Indian Affairs, the Honorable Mr. Chretien, by the Committee Chairman. By June of 1973, consultation meetings were held in Ottawa between senior officials of Indian Affairs, MIAC, and the Manitoba Indian Brotherhood. From these consultations came the agreement in principal for the Program (MIAP, 1980).

In August of 1973, written confirmation was received from Mr. P.B. Lesaux, Department of Indian Affairs, agreeing to fund MIAC to further develop a farming program outline and to actively assist in having the program proposal approved by the Treasury Board with a tentative implementation date of April 1, 1974 (T.B.727325). Further consultation and revisions to the program necessitated a postponement of the implementation date to April 1, 1975 (Girman & Associates, 1989).

Treasury Board approval of the program was obtained on May 9, 1974. It was proposed at that time to use the MIAC to manage the program. Subsequently, however, it was decided that greater responsibility and accountability for management could be achieved by the establishment of a legal entity (MIAP, 1980) called the Manitoba Indian Agricultural Program (MIAP). Under this arrangement, MIAP was to be a non-shareholding, non-profit legal entity to be formed under the Companies Act of Manitoba by the MIAC to manage the approved program under an agreement between INAC and the Corporation.

MIAP 1975 - 1980

The Manitoba Indian Agricultural Program was initiated on July 1, 1975 (Girman & Associates, 1989). MIAP was first envisioned as a "five-year program" (MIAP, 1987) whose purpose was outlined in a 1980 MIAP Report. It stated that:

The Indian people living on 26 reserves having agricultural potential have no other resources or employment opportunities available to them by which they can create economic activity.... The [MIAP] program is intended to provide Indian people the means by which they can help themselves in seeking an economic way of life, by participating in the planning and decision-making process and generally improving upon their circumstances. Secondly it is designed to bring into focus and use all existing forms of assistance provided by government agencies and thereby improve upon the efficiencies and effectiveness of these scarce resources. The program is aimed primarily at Indian farmers presently in the industry, including those farmers who are marginally self-supporting because of a lack of development assistance and training. The program is also aimed at the farm family: particularly the youth in order to encourage their acceptance of farming as a fulfilling way of life. Finally, the program is aimed at the larger reserve community. Through extension services, it is hoped to gain improved understanding and support of farm enterprises which are or will be established in their communities. (MIAP, 1980: 10)

In short, MIAP was to "provide Indian people with the means to help them establish an economic life through the planning and development of agricultural resources" (Treasury Board, 1986). To this end, the program's long range goal aimed at creating 300 viable farm units, the term "viable" explained by Intergroup (1983; 1) as being:

A farm business which will generate enough income to pay all operating expenses and other financial obligations, and provide a standard of living for the operator and his family comparable to the standard prevailing in the surrounding community.

The Department of Indian Affairs in Manitoba was to support MIAP. This was done in a variety of ways. An officer of DIAND was to sit on the Board of Directors of MIAP. Therefore, it was felt that the policy objectives of DIAND in respect to the development of agriculture in Manitoba was represented by the policy objectives of MIAP. The program of DIAND with respect to First Nation agriculture in the province was to consist of financial and policy support for MIAP (MIAP, 1980). With the exception of some continuing supervision of certain aspects of credit allocation, the role of DIAND was considered indirect (MIAP, 1980). DIAND contributions were to be employed improving land on reserves used by First Nation farmers. DIAND contributions were also to be employed to execute and administer agricultural extension and training programs. These programs were intended to match or parallel programs provided by the Provincial government such as the New Careers Program and which provided adult career training, Federal/Provincial programs such as Special ARDA, and Federal programs like the Farm Credit

Corporation (MIAP, 1980).

The Special ARDA program objectives were to:

Assist in the economic development and social adjustment of residents of rural areas, particularly those of Indian ancestry, who have previously had little or no access to regular earning and employment opportunities. (Resource Initiatives Ltd., 1985: 13).

The Special ARDA agreement between Canada and Manitoba provided for program assistance to remove constraints to improved income and employment opportunities. Special ARDA funds were to be applied to the improvement of farm lands on reserves such as brush clearing, breaking and grazing land improvement. Special ARDA funds were also to be used by MIAP for farm management councilors to assist First Nation farmers in developing land suitable for establishing a commercial farm. The total of grants received by any farm from MIAP and Special ARDA were limited to \$60,000.

The Farm Credit Corporation was "established by the Government of Canada to provide long term mortgage credit to assist farmers and those wishing to become farmers to purchase, develop and maintain sound farm businesses" (Resource Initiatives Ltd. (a), 1985: 16). Section 19 of the Farm Credit Corporation Act provided authority to lend to Status Indians and DIAND had the authority to guarantee such loans, thus eliminating FCC risk exposure in such cases (Resource Initiatives Ltd.(a), 1985).

Representation on the MIAP Board of Directors from 1975 to 1978 included, Chairman Ed Anderson (Fairford Reserve), until 1977 when he assumed the position of Program Manager, (a position responsible to the Board of Directors), but retained a seat on the MIAP Board at the request of the remaining Board members, Howard Starr (Sandy Bay Reserve), until 1977 when he assumed the position of Board Chairman, Tom Cochrane (Peguis Reserve), Fred Soldier (Swan Lake Reserve), who resigned in 1976, Gordon Bone (Sioux Valley Reserve), who joined in 1976, Claude St. Jacques (DIAND), William Johnson (Manitoba Dept. of Agriculture), and Wesley Cook (Moosehorn Credit Union), which conformed to the required structure first envisioned by MIAC which was to include four farmers, a non-voting member from Indian Affairs, a member from the Manitoba Department of Agriculture, and one member from the business community at large (P.M. Associates, 1978). Despite this fact, P.M. Associates (1978: 88) notes that though Ed

Anderson's retention of his seat at the MIAP Board, despite changing duties to Program Manager:

is not an uncommon practice in Corporate structures as it provides the Board with a member which is actively involved in Corporate activities...[however] it does prohibit an additional Indian farmer from actively participating in program leadership.

Board members were selected by standing board members on the basis of program requirements, experience and qualifications for the position. There was no formal process for the removal or appointment of Board members by the farmers or elected community representatives, but MIAP was to solicit reactions from All Chiefs Conferences and special Indian Agricultural Seminars and special agricultural Chiefs conferences (P.M. Associates, 1978).

The initial objectives of MIAP according to (MIAP, 1985: 12) were to;

Bring into production 8,500 acres of arable land and 35,000 acres of pastureland. To provide 200 Indian farmers with intensified on farm training and managerial advisory services. To increase the number of farm units from 52 to 195 (and to establish 300 such units over a ten year period). To increase gross farm income per unit from \$3,200 in 1975 to \$12,750 in 1980. To facilitate obtaining loans by 195 farmers by 1980.

In addition, MIAP predicted an overall growth in First Nation gross farm production from \$465,000 in 1971, to \$2,550,000 in 1979/80 or 89% of the Manitoba average over the first five years. To accomplish these lofty objectives, the program was given the resources to provide farm advisory services, as well as farm training for employment opportunities in the agricultural secondary industry, equity and development funds and loans (MIAP, 1985).

The financial components of the program were intended to provide suitable capital inputs to farm operators so that each operation had an appropriate and sound financial structure. MIAP was to assist farmers in in this regard by providing loans and/or accountable contributions (contributions being a non-repayable sum granted to an applicant by MIAP, but for which accountability is required of the applicant by MIAP) to clients to a maximum of \$60,000 per unit in order to provide a ready source of intermediate and long term capital in order to offset the restrictions placed on conventional lenders as a result of Section 89 of the Indian Act. Loans were to be provided to clients from the Indian Affairs Indian Economic Development Fund (IEDF), a federal program which was to "provide a source of capital, financing, and advisory services to

Indian people for economic development activities, both on and off reserves” (Northern Affairs, 1983). Loans, through the fund, were designed to meet the specific problems encountered by Aboriginal businessmen, particularly restrictions imposed by the Indian Act and credibility gaps which existed between financial institutions and Aboriginal people. Applicants were expected to make an equity contribution (20% of total eligible project costs) towards all projects. MIAP acted as an agent for all IEDF loans in this regard. Corporate loan systems and procedures were as follows; applications received by the program were forwarded to the Loans Officer for review and comment. These applications were then submitted to the Board who had the authority to review and recommend the requests, and then to the INAC District Office for approval. If approved, the loan agreement was forwarded to the client for signature, returned to the Corporation (MIAP) and retained at the Corporation. MIAP was to perform post loan counseling, security procurement, disbursement, collection, and all other administrative requirements up to the point of hard collection activities (which was assumed by MIAP in 1978 due to the fact that DIAND did not possess the resources to perform final collection action for the agricultural loans portfolio) (P.M. Associates, 1978).

Instead of having MIAP clients own or rent commercial equipment and farm machinery, MIAP strategies were to provision farmers with necessary machinery. Therefore, all machinery, despite being in the possession of the reserve farmer, was to be owned by MIAP. However, in 1981, it was suggested by P.M. Associates (1981: .41) that “title to machinery should be given to the farmers.” It was felt that this would foster a feeling of ownership and responsibility” (P.M. Associates, 1981: .42).

An evaluation of the first four years of MIAP were undertaken by P.M. Associates (1978) with a financial audit undertaken by Keith A. Shipou & Co. (In P.M. Associates, 1978) of Winnipeg. Highlights of the evaluation and audit reported that the program spent some \$1.24 million on land development compared to a budgeted \$1.84 million. It was also reported by P.M. Associates (1979) that over 40,000 arable acres of crop and hay had been developed by 1978. The report also noted that some 10,842 acres previously leased by non-Aboriginals had been taken up by MIAP clients for a total of 50,842 acres exceeding goals as set in 1975. Thus, during the first five years of MIAP (1975 - 1980) the program had virtually achieved its objective with respect to arable land by 1978 and had exceeded those goals by 1980.

Even though Farm Credit Corporation loans were available to Status Indians (and guaranteed by DIAND to minimize risk to FCC) it was reported by P.M. Associates (1979) that few First Nation farmers had obtained credit from the FCC by 1978. The reason being that the procedure to procure FCC loans was cumbersome and that there was a perceived lack of understanding by First Nation farmers on how to obtain such credit (P.M. Associates, 1979). As well, the report states that the majority of First Nation farmers preferred short term operating loans (as long term financing is commonly used to acquire farm machinery, land, or to finance major land improvement projects such as clearing or drainage). First Nation operations typically required short term financing to cover the costs of seed, feed, fuel, and fertilizer and not machinery (since the MIAP provisioned farmers with machinery as opposed to individual ownership and commercial rental of equipment) and major land projects (P.M. Associates, 1979; 1981). However, no short term operating loans were provided by the FCC so those preferred type of loans were made by IEDF/MIAP. Also, the FCC loaned only to commercial farms and to operations intended to achieve commercial profitability within five years. This eliminated enterprises which were not perceived as profitable or were such small scale as to be considered "part time farms, weekend farms, hobby farms... or enterprises which only provided some supplement to family income," a category which many First Nation farms fell under (Resource Initiatives Ltd.(a), 1985: 3). MIAP/IEDF also espoused the goal of achieving commercial viability, but were more flexible concerning loaning to smaller scale, but profitable or potentially profitable enterprises. As a result, the total number of FCC loans was small (only 2 FCC loans to First Nation farmers were recorded by 1978) and loans to First Nation farmers represented an extremely small fraction of all loans made by the FCC in Manitoba (P.M. Associates, 1979).

In addition, P.M. Associates (1978) farm production figures reported that gross farm production had risen from \$465,000 in 1975 to \$3,000,000 in 1978 (and would reach \$4.0 million by 1980 (P.M. Associates, 1980), exceeding the stated goal of \$2.5 million set in 1975). The average gross income for First Nation farmers was \$19,622 in 1978 (a rise of \$6,872 from the 1971 figure of \$12,750). This figure still represented almost half the Manitoba average of \$36,000 and showed that the income gap between Manitoba's First Nations and non-Aboriginal farmers was far from the stated goal of 89% of the Manitoba average over the first five years first projected in 1975 (Intergroup, 1983). However, MIAP had exceeded its goal of providing on farm training to

200 First Nation farmers having trained 229 individuals by 1980. However, MIAP would only record 168 established farms by 1980, well short of the 1975 objective of 195 farms. There were also a total of 128 MIAP clients in 1978 (which would rise to 170 by 1980) and a total of 389 loans (totaling \$4.3 million) to 168 farmers by 1980 (MIAP, 1980). In short, the 1986/87 Treasury Board (1987: 11) submission states that, "In the 1975-80 period, MIAP met or exceeded all of its main objectives except the goal set for the number of farms to be established." However, the 1978 audit did uncover a number of accounting errors stating:

In summation, it would appear that the original accounting system designed for the handling of loans and contributions were inadequate. As a result of a number of errors developed in the recording of loans and contributions... and there was still a number of book-keeping errors that as of yet not been corrected (Keith A. Shipou & Co., In P.M. Associates, 1978: 18).

In addition, it was found that data required for such evaluations were often either non-existent or contradictory. It was found that MIAP did not maintain easily accessible records of how much land development, what type of land development was carried out in each fiscal year, although cost of land development was well documented. In addition, production and income data was based on small samples (only 12% of active Aboriginal farms were sampled) (MIAP, 1980).

It was also reported that because MIAP "is for all intents and purposes, regardless of the wording of the security, acting as lender to the native farmer population...it is felt by MIAP... that MIAP should be made wholly responsible for collection and portfolio management" (P.M. Associates, 1978: 26). It was therefore, the goal of the Board to obtain separate loan funds that would be controlled by MIAP with all associated responsibilities such as legal action, cost of write-offs, etc. However, it was recognized that such a goal would take time to realize and that the program was prepared to work under the existing system in place since 1975 through the IEDF.

Furthermore to the issue of loans, P.M. Associates (1978) and Keith A. Shipou & Co. (In P.M. Associates, 1978) reported that by 1978, there were 211 loans (representing 121 clients) in force with an approved amount totaling \$2,375,400. Some 54.5% of approved loans were allocated to machinery and equipment, 27% to operating, 10.1% to livestock, 6.3% to buildings and 2.1% to other items. In addition, 104 of those 211 loans were in arrears (74 clients) totaling \$311,361 in principal payments and \$56,218 in charged interest with 10 loans (7 clients) deemed to be

uncollectable. MIAP was taking an active role in collection action with equipment seizures taking place in several instances (P.M. Associates; 1978).

Despite some of the above reported problems, "the evaluation determined that, in general, the program was achieving its goals" (Intergroup, 1983;16). It was felt that clients had been assisted and gross incomes had increased threefold between 1975 and 1980. The program had:

developed a technically qualified and experienced advisor base familiar with the Indian situation in Manitoba...and... a solid base for an efficient, effective and responsible administrative component. (P.M. Associates, 1978: 79)

As a result, P.M. Associates (1978) recommended that funding continue for MIAP. As a result of its first five years of success, MIAP's mandate was extended for five more years (MIAP 1985) beginning in 1980. Funding was continued as recommended with expenditures totaling \$6 million. This included \$3.5 million in contributions, \$1 million on advisory/extension services, \$0.7 million on training and \$0.8 million for program development. The total expenditures of \$6 million compared with an original program budget of \$5.6 million (Intergroup, 1983).

Exhibit 1

A Comparison of 1971 Farm Figures, 1975 MIAP Objectives & 1978 MIAP Achievements

1971 Manitoba Agricultural Survey Figures

Farm Production	\$465,000
Farm Income	\$3,200
Farm Units	52

1975 MIAP Objectives

Farm Production	\$2,550,000
Farm Income	\$12,750
Farm Units	195
Added Land Production	43,500 acres total (35,000 pasture + 8,500 arable)

1978 MIAP Achievements

Farm Production	\$3,000,000
Farm Income	\$12,750
Farm Units	168
Added Land Production	50,842 acres

MIAP 1980 - 1985

MIAP's new Five Year Plan, as highlighted in P.M. Associates (1980:10) illustrated that MIAP's objectives were to:

Bring into production some 6,000 acres of arable land and 10,000 acres of pasture land (total 16,000 acres). To provide training in specified amounts: On the job - 80 clients; on farm; 200 clients; workshop - 1650 trainee days; other training 100 clients; Demonstration 90; Specialized training; 78 clients. To increase gross farm production to \$14.4 from 350 farms. To increase gross income per farm unit to \$48.6 from 21.0 in 1980. Increase the number of fully developed farms from 50 in 1980 to 185 in 1985.

Fully developed farms were outlined as farms which were viable and self sustaining, meeting operating and capital costs plus providing basic income (Intergroup, 1983).

A 1983 evaluation conducted by Intergroup (1983) reported that many of the objectives reported in 1980 were not being met. A 1986/87 Treasury Board (1987) submission also stated that, "in the 1980-85 period only the goals for increased acreage and training (except specialized) were met." Only 212 farms with a gross production of almost \$5.0 million had occurred by 1985 (far below the 1980 goal of \$14.4 million from 350 farms). The average gross farm income had only reached \$23,400, rather than the projected \$48,600 (though, once again, up significantly from the \$12,750 in 1975). However, when compared to the overall Manitoba average of \$57,507, MIAP (1985; 10) concluded that; "this would imply Indian production per farm was 36% of the Provincial average... thus indicating a need for improvement in productivity." Instead of making up ground on non-Aboriginal Manitoba farmers, it appeared that First Nation farms were falling behind the Manitoba average. In addition, only 87 farms were identified as being viable (meeting operating and capital costs plus providing basic income) and not the 185 fully developed farms projected in 1980.

Also, Intergroup (1983) showed that the majority of First Nation farms were not covering operating costs and were yielding a negative net return as low as -\$4,800 in some cases. However, Intergroup (1983: 49) also compared that figure to the non-Aboriginal Manitoba farmer and found that the average Manitoba farm in 1980 was; "experiencing even larger negative net returns, i.e. - \$32,000 in 1980." Despite this, Intergroup (1983: 50) states that:

very few Manitoba Indian farms appear to be viable... it appears that, at most, 30 per cent of MIAP supported farms can be considered viable at present and many of these would be marginal. Support for the remaining 70 per cent must be derived largely from off-farm income, loan arrears, drawing down of equity and social assistance. That 30 per cent of farms are viable coincides with some program officials' subjective assessment. These assessments range from 20 per cent up to 60 to 70 per cent potentially viable in two or three years.

On a positive note, Intergroup reported in 1983 that some 4000 acres of cropland and 5000 acres of cultivated hay and pasture had been made possible by MIAP contributions which corresponded with the 1980-85 objectives to bring on some 6,000 acres of arable land and 10,000 acres of undeveloped pasture lands. By 1985, targets for developing cultivated land had been exceeded. It was reported that 85,000 acres of arable land had been added, far above the 16,000 acre goal set in 1980 (Treasury Board, 1987).

In addition, advisory services and training was also seen as a bright spot in MIAP's 1980-85 achievements. The Treasury Board (1987:15), stated that, "Goals were met in all cases except sub-goal in specialized training to graduate 41 new clients from the University of Manitoba with Agriculture Diploma. Five have graduated, 15 are enrolled."

During this period, representation on the MIAP Board had not changed since its establishment in 1975 (with the exception of Gerald Therien who had replaced William Johnson as the Manitoba Department of Agriculture representative) (Intergroup, 1983). In addition, Intergroup (1983: 119) reported that "since 1980, expenditures on Board activities had fallen within the budgeted allocation."

Despite the positive areas of land contributions and advisory and training services, the Intergroup (1983) performance evaluation did conclude that the shortfalls from the projections during the 1980-1985 mandate period were serious setbacks for the program. The treasury Board agreed, and as a result, there would be a number of changes over the following years.

MIAP 1985 - 1990

After the second mandate (1980-1985) came to an end, MIAP was extended for only an additional year (instead of the traditional 5 years as had occurred since 1975). A management review was initiated due to the shortfall in program goals during the 1980 to 1985 mandate period. The management review concluded that most of the objectives had fallen short of expectations and

recommended developing a program plan for each year to 1990 as well as action plans for each program component (MIAP, 1985). As a result, a number of new recommendations were made. Intergroup (1983) recommendations concluded that MIAP concentrate its resources on existing clients with minimal new farms beyond the current 184. In addition, improved case by case monitoring and recording systems to include data from the day the farm enters the program on progress in productivity, acreage, earnings, assets, net worth, loan performance, contribution rates, and cost per client (Intergroup, 1983). Finally, recommendations that Board members be prohibited from receiving contributions or entering into contracts with the program (aside from employment) were made.

In 1986, MIAP obtained conditional funding approval from the Treasury Board through to 1990. Funding was conditional upon MIAP meeting specific program goals each year as set by the Treasury Board. MIAP then developed a strategic plan through to 1990 (see Exhibit 8). One of the Treasury Board's requirements was to develop a data base program. In addition, program objectives, according to MIAP (1985), were to:

increase Indian farmer productivity for the existing farms to \$32,000 per farm by 1990, implying that Indian farmer productivity would be 45% of the provincial average by 1990....to develop and maintain 250 fully developed farm units producing some \$8,000,000 in annual sales....to increase Indian control of cultivated lands to 100,000 acres by 1990.

Further objectives were to increase the average farm size to 682 acres with a total value of Aboriginal farm assets to reach \$14,117,050. Other objectives, according to the DPA Group (1990: 5.9) included developing:

a client database on production and financial results; a training database on clients trained, training costs, and the application of training; annual training requirements, forecasts and plans as well as an assessment of training results for the program as a whole; and monitoring to ensure the program's objectives are met.

Furthermore, the 1985 MIAP program plan addressed a number of financial issues as well, stating that:

The amount of funding available for contributions has declined from \$1,246,960 in

1980 to \$445,637 in 1985...[but] farm investment requirements have increased significantly from program inception to the present time due to the diminished purchasing power of the dollar. To illustrate, a \$60,000 contribution adjusted to 1985 dollars is worth \$22,000... [Also] the IDEF/MIAP loan fund has an arrears problem. The existing arrangement for joint DIAND/MIAP administration of the IEDF is complex and inefficient. (MIAP, 1985: 59).

Therefore capitalization for a new separate loan fund designed to establish each farm with appropriate financial structures and to provide additional equity to the client so as to reduce interest costs was proposed. The plan called for a major change to the method of funding so that the program could use available resources to provide farm clients with sufficient levels of funding at interest costs commensurate with their abilities to pay.

As a result, in 1986, a new entity called the Manitoba Indian Agricultural Development Corporation (MIADCo) was created under the Companies Act of Manitoba with MIAP as its only member. MIADCo was established to fully take over the IEDF/MIAP loan fund portfolio and administer loan services separately. MIADCo's Board was appointed by the MIAP Board of Directors and included the Chairman of the MIAP Board, one individual with agricultural lending experience, and "an Indian woman with business and/or farming background (DPA Group, 1990; 2.2). An office building was purchased in Winnipeg at 286 Smith St., and MIADCo had purchased a portion of the IEDF loan portfolio, as well as investigated possible investments in rabbits, geese and wild rice (DPA Group, 1990). In addition, the MIAP Board of Directors had begun reorganizing the program's structure in 1989. A new coordinating body called the Manitoba Aboriginal Resource Association (MARA) had established a committee to develop program plans for all its activities. Furthermore:

managers of MIADCo and MIAP have found a considerable portion of their time occupied with internal conflicts over the direction of activities and a deterioration in relations with Indian Affairs. It is hoped that the establishment of MARA and the program plan will address these internal and external relation problems. The new structure is hoped to:

- provide more effective control and allocation of resources;
- clarify program objectives and responsibilities;
- provide accountability to Indians through the appointment of one representative from the Assembly of Manitoba Chiefs to the Board of MARA; and
- allow more focus of program resources on improving the situation of Indian farmers. (DPA Group, 1990: 5.9)

In 1990, a formal evaluation review by the DPA Group Inc. was initiated by DIAND with a final report released in March of 1990 (DPA Group, 1990). The evaluation reported that Aboriginal people had better access to credit through the creation of MIADCo though few still had credit for large operating or capital loans from private financing sources due to Section 86 of the Indian Act which still made it impossible for First Nation farmers to use property on reserve as security for loans. Despite the fact that MIADCo loans were felt to be insufficient to lend to all (and that 64% were written off as uncollectable), the DPA Group stated that an estimated 100 Aboriginal farmers were commercially viable (a figure that the report questions due to a lack of firm data on MIAP farmers - see below). However, Land utilization was reported to have reached 115,886 acres by 1988, surpassing the 100,000 acres projected by 1990. On the other hand, gross farm income had only reached about \$17,000 in 1986 and had only risen to about \$20,000 in 1987, far below the goal of \$32,000 projected in the 1985 to 1990 MIAP Program Plan (Treasury Board, 1984; see Exhibit 8). However, the DPA Group (1990:4.8) determined that the figures for farm income were:

...by no means sufficient to allow for full confidence in the numbers provided. Skepticism is warranted in light of other known deficiencies in the database, e.g. sample unrepresentativeness (it is predominantly comprised of data from the top performing farmers), possible double counting of mixed farm enterprises (i.e. reported both under the grains and the livestock category), and inconsistencies with interview evidence.

In that same year (1990), the Manitoba Aboriginal Resource Association was established (MARA). The objective of MARA was to act as an "umbrella" for all of the related operating companies such as MIAP and MIADCo and the newly developed First Nation Ventures Inc. (FNV). FNV's objective was to operate for profit businesses.

The MARA organization consisted of three organizations (as depicted in Exhibit 1) with MIAP being one of those organizations. It was hoped that the new structure would provide more effective control and allocation of resources, would clarify program objectives and responsibilities and would allow more focus of program resources on improving the situation of First Nation farmers (DPA Group Inc., 1990).

The Organization of MARA

MARA was the "umbrella" under which all the other programs fell. MARA itself provided

direction and support services that were shared by the three other organizations (see Exhibit 1). MARA was managed by a seven member board of directors comprised of four representatives of the First Nation farmers, one representative each from DIAND and the provincial government and one from the business community (Northern Affairs, 1983).

The mission statement of MARA read:

MARA will exist to provide a vehicle for the exploitation of resources for the Indian People of Manitoba. The intention is to develop opportunities for Indian People to prosper economically and make a sustained and increasing contribution to the economy of Manitoba through pursuits in agriculture and other resource based pursuits (Tribal Wi Chi Way Win Capital Corp., 1999).

MIAP was the farm advisory arm of the MARA group of companies. Its mandate was to provide advisory extension and training services to First Nation farmers to ensure economic success. MIAP also provided direct, non-repayable funding to assist clients in four specific areas:

1. Crown land improvements
2. Farm demonstrations
3. Specific funding for new ventures
4. Formation and support of local farmer associations

MIAP's mission statement was as follows:

MIAP will exist under the stewardship of MARA to provide income enhancement services to Manitoba Indian farmers. The intention is to continue to close the gap between the Indian farming community's average sales per farm and the Province at large. This will be done by providing special advisory services, training through cooperative on-farm demonstrations and development improvements. A new initiative is the mandate to provide special services to northern reserves in respect to agriculture. (MARA, 1990: 8)

MIADCo (Manitoba Indian Agricultural Development Corporation) was the financing arm of the MARA group. MIADCo provided repayable loans to First Nation farmers to develop and sustain their operations. MIADCo's mission statement follows:

MIADCo will exist under the stewardship of MARA to provide repayable financing to primary and secondary agricultural business ventures for Aboriginal people within Manitoba. The intention is to provide financing at rates and terms commensurate with the clients ability to pay in order to achieve the overall objectives. (MARA, 1990: 12).

FNV (First Nations Ventures Inc.) was the venture capital arm of the MARA group of companies. FNV carried out capital investment to develop agri-business ventures to benefit the First Nations agricultural sector. FNV's mission statement read:

FNV will exist to serve as a development entity under the stewardship of MARA to analyze, assess, develop and invest in business ventures that will provide opportunities for Indian people. (MARA, 1990; 31).

It was felt that all of MARA's organizations would provide the necessary services and programs designed to benefit First Nations farmers. As part of its mandate, MARA was to maintain a database of all of its clients in Manitoba (DPA Group, 1990).

In addition, the DPA Group (1990) made a number of recommendations concerning MIAP, MARA, FNV and MIADCo, particularly on program structure and management. They included:

1) "MIAP's Board of Directors needs a more clearly defined role with more emphasis on policy, planning, and monitoring and less on operations and dealing with individual clients... in our opinion, the Board of Directors should set policy and review policy regularly, perform regular planning of activities, setting priorities for the future and monitor the results of past plans on the production, income and productivity of client farmers" (DPA Group, 1990: 5.10).

It was felt that there was no systematic planning for the future of MIAP activities and that MIAP's Board did not have an active part in planning each years activities. Much of their time was occupied by dealings with individual clients and little in policy and planning.

2) The relationship between MIAP, MARA, FNV and MIADCo Boards must be clearly defined, explicitly stating which is responsible for planning and policy in which areas... Various points of view can be accommodated with the new structure but, to forestall needless problems, MARA's Board should define the relationship between their various sister organizations and set clear measurable goals for each to meet. because MIAP advisors are vital to the functioning of MIADCo and the proposed First Nation Ventures, the programs must be tightly and clearly integrated, a major management challenge (DPA Group, 1990: 5.11).

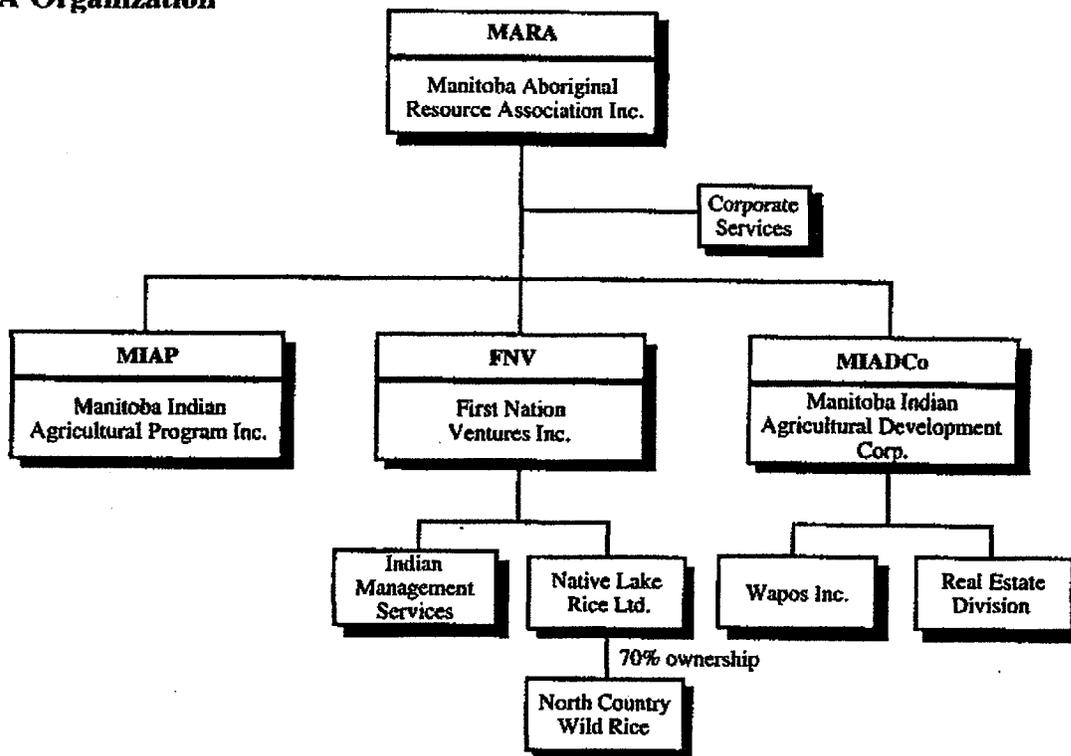
There was an evident uncertainty about the future form of the new organization.

Coordinating policies and programs between financial and advisory, new ventures, and financial services were deemed essential. Although by 1990, the general outline of the new organization [see Exhibit 1] was already approved, there were conflicting views about the general purpose and eventual outcome of the restructuring. According to the DPA Group (1990: 5.11):

some board members feel the restructuring is unfortunately necessary to satisfy Indian Affairs. Others feel that it is needed to establish a new native venture corporation, First Nation Ventures, but that no changes will be needed in MIAP or MIADCo, except the establishment of an umbrella organization (MARA). Some feel the establishment of an umbrella is the primary purpose of the restructuring. Without clear authority over MIAP and MIADCo, conflicts over program direction cannot be resolved.

3) To enhance constituency support the program should... begin publishing short regular newsletters on program activities to keep farmers, chiefs and councils and tribal councils informed of the program's achievements and plans; publish a regular Annual Report with consolidated financial statements of all MARA's subsidiaries; initiate a system of regular reporting to Tribal Councils, encouraging discussion of program plans and priorities; and institute a formal method to allow constituency input into program planning and monitoring through the Assembly of Manitoba Chiefs. (DPA Group, 1990: 5.11-5.12).

**Exhibit 2
MARA Organization**



Source: Fossay and Cassie, 1993

It was felt that farmers and clients overwhelmingly supported the program, the most often mentioned reasons for support being MIADCo loans and MIAP contributions. It was felt that First Nation leaders were more divided in their opinion. Some supported the program while others were more openly critical. For instance, in the north, many Bands and Tribal Councils felt left out of the program and wanted more resources in their area, particularly in the area of wild rice production which had yet to produce any results despite being a priority of the program for three years (See Peat Marwick Consulting Group Study of the Wild Rice Industry in Manitoba, 1989).

In addition, DPA Group (1990) mentions that some Bands and Tribal councils also believed that MIAP had not been sufficiently accountable to First Nation leaders and would support the program if they knew more about it and if they had confidence that the program's management was keeping track of results. Increased communication and a formal mechanism to allow input into the program planning and monitoring were felt to be needed to enhance support. By 1990, it was felt by the DPA Group (1990) that too few farmers and First Nation leaders were aware of the program's successes and some were worried by its problems.

The program must establish a system to monitor clients results - production, income and productivity over time. Annual updates must be made and the quality of the data checked yearly to ensure that decisions can be based on actual changes in farmers results. The program cannot manage its activities and promote new directions unless it knows what it is accomplishing. (DPA Group, 1990: 5.16).

It was felt that a client database was essential in order to monitor advisors, to ensure that clients were progressing, to check program performance against goals and to report results to First Nation farmers and leaders. The existing database was found to have serious design, data quality and definition problems and was felt to be inadequate to allow credible assessment of either the program's advisors or client results (DPA Group, 1990).

Furthermore, the DPA Group (1990: 5.18) stated that it

recognizes that the roll and function of the MIAP Board has gone through considerable evolution since MIAP was created in 1975. Generally, the Board has moved gradually from being "working or hands-on" to being more one of establishing and monitoring policy, with more delegation of authority and operating matters to management. This evolution has been encouraged and supported by
DIAND

The Canadian Aboriginal Economic Development Strategy (CAEDS)

In 1989, the federal government committed itself to the Canadian Aboriginal Economic Development Strategy program (CAEDS). The program provided for the reorganization of existing federal government initiatives, and the development of a number of new initiatives, in the area of Aboriginal economic development. This program appears to have been rooted, in part, in the 1985 Neilson Task Force on Improved Program Delivery for Aboriginal People (Neilson, 1985). In its review, the Task Force recommended that greater effort be placed on the coordination of program delivery and elimination of program and administration duplication. It also recommended that the Department of Industry, Science and Technology (ISTC) should assume primary control over Aboriginal economic development programs with the Department of Indian Affairs and Northern Development and Canada Employment and Immigration assuming subsidiary responsibilities. The outcome of this development was to have grave consequences for MIAP as it was no longer solely administered by DIAND. In addition, one of the ISTC requirements created the necessity for separate Boards for MARA and its three operating units (MIAP, MIADCo, and Ventures). The DPA Group (1990: 5.21) discussed the validity of these requirements:

There are a number of compelling advantages relating to management effectiveness for operating under one rather than four Boards... There is a very strong need for close integration of the various MARA resource development activities; this will be difficult and time-consuming for the members of several Boards and more importantly will reduce the level of service to the client; the assembly, training and running of four high quality Boards will in itself be time consuming.

It was felt that a single Board would encourage greater delegation to program management and the involvement of Board members in policy level matters and as a result, the DPA Group (1990: 5.21) recommended that:

MARA should seriously explore the feasibility of operating with a single Board. If tax or other reasons render this impractical, then clear policies and procedures should be established to ensure the effective integration of the four boards and their respective operating responsibilities.

Under CAEDS, this suggestion was never to be realized, as MARA, MIAP, MIADCo, and FNV all

had separate boards.

MIAP 1990 - 1993

MARA developed a MIAP zero-based budget (ZBB) as part of a five year strategic plan in February, 1990 (MARA, 1990). The purpose of the ZBB was to tie expenditures to intended outputs of the program in order to make the program self-sufficient (DPA Group, 1990). Based on that documentation, the ZBB was structured into three main program/decision packages, namely, farm advisory extension, with a total yearly budget of \$502,585, contribution and special incentives, budgeted at \$220,000 and corporate management, budgeted at \$237,000. However, the DPA Group (1990: 1) also discussed the problems with a ZBB by stating that:

Zero-based budgeting exercises can potentially self-destruct if one does not adopt a realistic approach to the next year's budget envelope...Achieving these outputs could potentially require significantly more resources than we have historically been allocated in any given fiscal year. However, it is unrealistic to expect that, for instance, a doubling of the budget is a likelihood in the context of competing requirements for funds.

In addition, MIAP targets were set at 200 viable farm units, gross sales of \$10 million and an average sales per unit of \$50,000, 50% of producers transferred to provincial extension services and 30 new agri-related enterprises (DPA Group, 1990).

One of those new agri-related enterprises was featured in a CBC I-Team documentary in 1993. The enterprise was the Wapos Inc. rabbit processing plant which was situated in Swift Current, Saskatchewan (a location that was felt to be highly questionable for a Manitoba agricultural program according to the CBC report). The plant itself cost MARA \$3 million and was operated by MIAP Board member Ralph Schmidt. According to the CBC (1993) report and both Gord Van Hussen (2002) and Jim Miller (2002), it was during this time that some Board members and farmers questioned how the spending of \$3 million for a "rabbit plant in Saskatchewan was going to help Manitoba native farmers" (CBC, 1993). In addition there were accusations of conflict of interest due to the fact that a Board member was running the plant in addition to the fact that Mr. Schmidt's son Laurie Schmidt was hired as Sales Manager for Wapos (CBC, 1993; Van Hussen, 2002). Furthermore, additional charges of questionable spending were levied at Board members for mis-use of expense accounts and questionable travel reimbursements and for the proposed

purchase of the Salisbury House restaurant chain (which was never completed) (CBC, 1993; Farmer #2, 2001; Miller, 2002; Van Hussen, 2002). One such instance was levied at Ralph Schmidt by the CBC (1993) report which stated that on a trip to Regina, ticket reimbursements (which are no longer in the MIAP files at Facs Records) were made for Mr. Schmidt's wife and children. In addition, when there was disagreement among farmers and a number of Board members to Laurie Schmidt being hired as Sales Manager for Wapos, Ralph Schmidt let him go. However, the CBC (1993) report discovered that Laurie Schmidt was later hired as a consultant for Wapos. The CBC (1993) report also claimed that Ralph Schmidt set up LDR Marketing and wrote a MARA check to the new entity for \$33,500 to purchase a truck without the Board's knowledge.

By 1992, Wapos was losing millions of dollars and an agreement to sell the plant was made by the Board. A suggestion to sell the plant to Ralph Schmidt and MARA Chairman Ed Anderson and Board member Raymond Swan was made to the Board in June of 1992, but was rejected by the Board and subsequently, Mr. Schmidt was fired (CBC, 1993). As Board member Robert Bone was quoted as saying in the CBC (1993) report; "That was a conflict of interest if you ever saw one." Wapos, being millions of dollars in debt, was closed in 1992.

A third party forensic audit by accounting firm Coopers & Lybrant was initiated in 1993 by Indian Affairs due to all the accusations leveled at MARA. However, Coopers and Lybrant (1993:1) concluded that "an overall conclusive assessment of MARA and its affiliates is not possible at this time" The CBC (1993) report concluded that MARA, since it was not wholly funded by Indian Affairs, did not have to allow Coopers & Lybrant access to MARA or MIAP files. As a result, the accounting firm was "denied access to key areas where most of the farmers money was going" (CBC, 1993).

In response, the Assembly of Manitoba Chiefs (AMC) called on the Board to resign and initiated a sit-in and occupation of the MARA offices by farmers and Chiefs at 286 Smith Street led by Chief Dennis Pashe of Dakota Tipi First Nation. Office files were investigated by farmers, but it was found, according to the CBC (1993) report and substantiated by Van Hussen (2002), that the most incriminating files had been destroyed.

A final report by Fossey and Cassie (1993) was prepared for INAC in February 1993. This report concluded that, despite the problems encountered by MARA and its affiliates, that a continued commitment to agricultural programs be continued and that programs like MIAP:

are required to support the First Nations agricultural sector. Only a small percentage of farmers have developed their farming operations to the point where they can operate effectively, independent of MARA support programs. Strengthened commitment to support programs is required, in order to expand the number of First Nations farmers in Manitoba. In order to achieve the goal of increasing the number of farm units, real increases in support programs, like MIAP, is required. (Fossey and Cassie, 1993: 26)

Other insights from the report state that MARA organizations are the primary source of support programs for First Nation farmers, but that MARA financial supports were being spread too thin implying that too much money was going to FNV and not to MARA's core programs at MIAP and MIADCo. Fossey and Cassie (1993: 9) state that:

during this period [1991-92], however, MARA contributions to FNV and general administration have increased significantly, as compared to increases in programs directed specifically to producers through MIAP and MIADCo...more of MARA's financial resources are being applied to the venture capital operations and general administration. The core MARA programs that directly impact on the First Nations farmers, namely MIAP and MIADCo, are receiving a smaller percentage of the INAC funding.

Furthermore, Fossey and Cassie (1993) take issue of the role of MARA and state:

In examining the service goals of MARA, we see the organization taking on two very distinct roles. These roles are, firstly, as a provider of support programs for First Nation farmers in Manitoba, and secondly, as a venture-capital organization with the goal of starting up 30 new business ventures over a five year period. These dual roles beg the questions:

- 1) Can one organization be effective in both roles?
- 2) Is it appropriate to risk reducing the level of programs to farmers in order to pursue new business ventures?

It appears that pursuing new ventures presents a reduction in the resources directly available to First Nation farmers through MIAP and MIADCo.

Fossey and Cassie (1993) also conclude that MARA's service objectives stated in the DPA Group (1990) report, were by 1993, far from being realized. For example, instead of establishing 200 viable farm units, Fossey and Cassie (1993) state that MARA recorded only 122 farm units. The 1990 service objectives also predicted overall gross sales of 10 million dollars on the basis of a

\$50,000 per unit average, when the reality, according to Fossey and Cassie (1993), was \$3.5 million gross sales figure based on an average gross sales per farm of \$29,361. Furthermore, MARA, instead of developing 30 new enterprises as stated in the DPA Group (1990) list of objectives, there were by 1993 only three new enterprises established (one of which, Wapos Inc., had already gone out of business).

Despite the fact that many of the MARA objectives had not been met, and despite the growing controversy depicted in the CBC I-Team report, Fossey and Cassie (1993) suggested that there be a continued support for MIAP. It was felt that only a small percentage of First Nation farmers could develop viable farming operations without the help of MARA support programs.

However, by 1993, the federal government decided that programs, such as MIAP, should be phased out as their core funding was reallocated to support CAEDS highlighting a shift in Department priorities away from sectorial based programming (Romanow, Bear & Associates, 2000). According to the Government of Canada (1989) and Wotherspoon and Satzewich (1993), CAEDS was introduced to end program and administrative duplication which would create better coordination of program delivery. Furthermore, within the CAEDS framework, the prime objective was to strengthen Aboriginal financial and local development institutions so that they could act as delivery agents for the financial, technical business, and employment services that were, at the time, delivered through a variety of government departments (Government of Canada, 1989). As a result, existing programs such as MIAP were to be either reorganized or phased out to begin the new strategy (further explanations for the introduction of CAEDS can be found in chapter 5). MIAP and its associated programs were phased out in 1993, with all outstanding loans taken over by Arthur Anderson Accounting. Since then, loans have been taken over by Tribal Wi-Chi-Way-Win Capital Corporation (which became the premier lending institution for First Nation farmers) who purchased the MIAP debt (Van Hussen, 2002).

Post MIAP

Van Hussen (2002) states that after the demise of MIAP many of the MIAP farmers went bankrupt and had their equipment and farm buildings seized. Others, according to both Van Hussen (2002) and Jim Miller (2002) and Larry Amos (2001) were left with a sizable debt owed to Tribal Wi-Chi-Way-Win Capital Corporation. In addition, Romanow, Bear & Associates (2000: 53) also

states that; "there are existing many First Nation producers who have been financially crippled by the demise of MIADCo due to the deterioration of their credit ratings caused by the elimination of MIADCo supports and the hike in the interest rates on outstanding loans." Quoting the First Nations Agricultural Survey (1999), Romanow, Bear and Associates (2000: 60) commented that:

many of the farmers who responded to the survey were upset at the way their debts to MIADCo were handled. Some farmers commented that they believed that some farmers had received total write-offs, others received partial write-offs, some were able to re-negotiate more favourable conditions, while others were not given any of the above options.

Larry Amos (2001) reported that all farmers were offered a debt write down package by First Nations Farm Credit (FNFC). This involved a fifty percent write down on the loan principle, plus the elimination of accumulated interest to the date of offer (which varied according to client). All farmers were offered the same package. Any difference in terms was due to the following considerations according to Romanow, Bear and Associates (2000: 60):

- A few farmers illegally sold their assets and did not pay FNFC anything on their outstanding debts. As a result they would have a judgment held against them for the full amount outstanding and have ruined their credit rating for a minimum of seven years.
- Some farmers were unable to meet their debt obligations and FNFC foreclosed on their operations and sold off available assets for whatever price they could obtain. This may be less than or greater than the fifty percent write off.

In addition, some First Nations farmers were reported to be crippled by old debts that were restructured under the significantly higher interest rates, which were from 3 to 4 percentage points higher than those offered by conventional financing (Romanow, Bear and Associates, 2000). First Nations Information Project (2001) reports that the higher interest rates are necessary to offset loan default rates. Tribal Wi-Chi-Way-Win Corporation, which runs the FNFC program, is a developmental lender which receives its capital from the federal government. Under the terms and conditions of its funding, it must cover all its own operating costs, including loan losses (Romanow, Bear and Associates, 2000).

Furthermore, a report by Romanow, Bear & Associates (2000) states that since the demise of MIAP, conditions for First Nation farmers has deteriorated. When compared to Manitoba non-

Aboriginal farmers (discussed in Chapter Six), the situation for First Nations farmers has become quite dire. For instance, the average farm receipts for First Nation producers and the average farm size of First Nation producers is less than the average Manitoba farm operator (see Exhibit 9). In addition to the problems involving access to capital, the lack of an appropriate land tenure policy on many reserves has limited or prohibited developments of First Nation farms (also discussed in Chapter Six). In addition, Romanow, Bear & Associates (2000: 52 - 53) state that the:

Current Aboriginal economic development programs are very limited for First Nation farmers to receive support to establish successful commercially viable farming operations. This is due to strict criteria being placed on job creation, incentive limits per applicant, equity and commercial financing requirements... First Nations farmers have no access to a lending institution with sufficient capital to compete with the non-Aboriginal agricultural sector. The current Federal Government is unwilling to provide tribal Wi-Chi-Way-Win and First Nations Farm Credit with the development capital and support for administering costs to adequately service the needs of First Nations farm clientele.

Furthermore, the difficulties with acquiring credit (such as providing land as collateral) has relegated most individual farming endeavors on reserves to small-scale, low technology operations. This lack of capital and technical expertise, which was a hallmark of MARA and its subsidiaries, according to Romanow, Bear & Associates (2000) has made it difficult for reserve farmers from acquiring the latest agricultural technology for modern day agriculture, relegating most First Nations farmers into subsistence farmers. It can be concluded that without MIAP, reserve agriculture has taken a step backwards since 1993 (see chapter six for more detail concerning the post-MIAP period).

Chronology Of MARA/MIAP Milestones

<u>Date</u>	<u>Milestone</u>	<u>Comments</u>
1975	MIAP established	Manitoba Indian Agricultural Program Inc. ~ Five year mandate. Objective: establish a viable agricultural industry on southern Indian reservations in Manitoba

1980	MIAP extended for five years	Second five-year mandate
1983	Interim Report	Intergroup Evaluation Report
1985	Management review ordered	Program extended with a one-year mandate ~ Management review initiated due to a shortfall in program goals during the 1980 to 1985 mandate
1986	MIAP conditional funding approved to 1990	Treasury Board approves MIAP funding to 1990. Funding is conditional upon MIAP meeting specific program goals each year
	MIAP develops a strategic plan	Strategic plan is developed as part of the Treasury Board requirements through to 1990 Treasury Board requirements include the development of a data base program
	MIADCo established	Manitoba Indian Agricultural Development Corporation. Objective: administer the loans fund. Capitalization: \$5,475,000 - NEDP <u>\$1,800,000</u> - MIAP \$7,275,000 - equity
1990	Formal evaluation of MIAP	Formal review initiated by DIAND ~ Final report released March, 1990 (DPA Group)
	MARA established	Manitoba Aboriginal resources Association Inc. Objective: act as an umbrella for all of the

related operating companies, MIAP,
MIADCo and FNV

FNV established

First Nations Ventures Inc. Objective:
Develop and operate for profit businesses

1993 Final Evaluation of MARA
Program terminated

Fossay and Cassie report. Coopers &
Lybrand Audit. CBC I-Team Report. Loans
and Debts bought by Arthur Anderson and
later purchased by Tribal Wi-Chi-Way-Win
Capital Corp.

Chapter Four

The Upside: Accomplishments of MIAP

Introduction: Examining the Facts

MIAP achieved and experienced a variety of accomplishments before its disbandment, according to the literature (particularly through the DPA Group Inc., 1990 and Fossay & Cassie, 1993) and to various informants involved in MIAP. Both the DPA Group Inc. (1990) and Fossay & Cassie (1993) conducted direct interviews with an unrecorded number of key stakeholders, including MARA and MIAP coordinators and officers, government officials and First Nations producers. From these data, it appears that a number of key successes highlighted MIAP's accomplishments.

Though MIAP was not without problems, it did succeed in propelling First Nation agricultural efforts by providing access to land, training and advisory services, financial support programs and, in particular, a substantial growth in First Nation farming when compared to the situation that existed before the implementation of MIAP. In addition, during MIAP's existence, the First Nations agricultural sector in Manitoba experienced growth in many areas (particularly in the 1975 - 1980 period: see Exhibit 2) such as total amount of land used by First Nation farmers (40,126 acres in 1972 compared to 117,000 acres in 1992) and significant growth in livestock (which grew from 26 First Nation livestock producers in 1975 to 101 livestock producers in 1990 with a corresponding rise in production figures which reached 3,157 head sold in 1990 compared to under 400 sold in 1975). In addition, it can also be argued that, as a result of MIAP, many First Nation individuals who would not have otherwise been involved with agricultural pursuits ultimately became farmers (Fossay and Cassie, 1992). These individuals were able to acquire capital resources such as machinery, buildings and livestock herds, which substantially increased the production capacity of First Nation farmers (DPA Group Inc., 1990; Romanow, Bear & Associates, 2000).

Farm Production

Fossay and Cassie (1993) report that 165 active First Nations farm units existed in 1993. Though this represents a fall-off from the high of 168 farm units achieved during the 1975 - 1978 period, it does compare favourably to the 1971 figure reported in the P.M. Associates (1978) by the

Manitoba Agricultural Program Committee which estimated about 52 First Nation farm units. Though a modest increase of 116 new farm units was realized between 1975 and 1978 with a less spectacular 20 between 1978 and 1993 (not counting those which ended production during the same 1978-1993 time period), the real increase was in other areas, including land usage, and in earnings per farm unit (MIAP 1990). For instance, land usage by First Nations farmers in Manitoba increased from 69,146 acres in 1975 to 117,000 acres in 1992, though it must be stated that the 1992 figure represents a decline from the 1987 figure reported in the MIAP Treasury Board Submission of 144,041 acres (Romanow, Bear and Associates, 2000). This represented a significant achievement as the goal of bringing into production 43,500 acres was exceeded by 16,500 acres (see Exhibit 2). According to a 1987 Treasury Board submission, of the approximate 335,000 acres included in agricultural based reserves, about 170,000 acres were suitable for full scale agricultural production. Therefore, only 53,000 acres of suitable agricultural land was not being used compared to the 100,854 acres not used in 1975, which represents a large increase in the use of land for agricultural pursuits by First Nations farmers (Treasury Board, 1987).

The largest increases were in native hay, improved hay and native pasture. These growth areas supported the suggested preference among First Nation farmers towards cattle production whose total value by 1991 was \$5,721,296 from a low of \$76,000 in 1978 (the first year such statistics were available for cattle production) (Intergroup, 1983; Fossay and Cassie, 1993). Reasons given for the focus on cattle operations were that pasture land was more readily accessible to First Nations farmers on or near reserves, while quality land for grain production was often more difficult (Fossay & Cassie, 1993). Other explanations include depressed grain prices, which made grain production a less attractive option to many farmers. This prevented farmers from entering into or expanding grain operations. Regardless of these reasons, the number of cropping acres by MIAP clients did rise, but by a much smaller 6%. Of this production, significant rises in rye (100% over previous years), flax (36% over previous years), and canola (270% over previous years) were observed. This figure contrasts sharply with provincial crop yields for non-First Nation farmers which dropped considerably between 1987 to 1990, with the number of Manitoba farms dropping by 7.2% (from 29,442 in 1981 to 27,336 in 1987), while average farm income dropped (from \$64,000 in 1986 to \$46,000 in 1988) with production in Rye, Flax and Canola all dropping by 2-5% (DPA Group Inc., 1990).

Exhibit 3
MIAP - Goals and Achievements 1975-1980

GOALS	ACHIEVEMENTS
Bring into production 43,500 acres	Exceeded goals as measured by evaluations in 1978; 1980 total approx. 60,000 acres
provide 200 farmers with training and advisory services	Exceeded goal - 229 individuals received farm training and managerial advisory services.
Increase # of farm units to 195	168 farms in 1980
Increase gross farm production to \$2.5 M.	Gross production \$4.0 M. in 1981
Increase gross farm income to \$12,700 in 1980	Average gross farm income approx. \$20,000 in 1980

Source: MIAP, 1990

As well, average gross farm production for MIAP farmers increased from about \$5,000 in 1975 (the first year of MIAP) to approximately \$20,000 in 1988, surpassing the 1975 goal of \$12,700 (see Exhibit 2) and reached almost \$30,000 in 1991 (P.M. Associates, 1978; DPA Group Inc., 1990). Of course, this contrasts sharply with the average gross incomes of non-First Nation farmers who enjoyed average incomes of approximately \$38,000 in 1975, \$46,000 in 1988, and \$70,000 in 1990 (P.M. Associates, 1978; DPA Group Inc., 1990; Fossay and Cassie, 1993). Nevertheless, it did represent a significant rise in First Nation farm income over the life span of MIAP. In fact, MIAP (1990) and Manitoba Agriculture (1991) detailed that the average production per farm in Manitoba increased 382% between 1975 -1985, while the average First Nation farmer increased production by 630% in the same period. Both figures drop after 1985 (to , due to economic problems experienced in Canada and the drop in average farm size experienced by both non-Aboriginal and First Nations farmers and the 7% drop in number of Manitoba farms), but do show that Aboriginal agriculture was rising (at least in terms of production) during a significant part of the MIAP program (1975-1985).

Financial Supports

After the creation of MIAP, there was more access to credit (through MIADCo after 1986)

for First Nation farmers and there were more and larger farms operated by First Nation farmers. "More farmers were beginning to realize that farming was a business, not simply a pastime, and more were operating with better equipment and livestock and some had better record keeping" (DPA Group Inc., 1990: 4.2). By 1993, Fossay & Cassie (1993) reference 80 to 100 First Nation farmers as commercially viable which compares favourably to the less than 20 farmers who were commercially viable in 1975, according to the DPA Group, (1990). This represents a significant rise in commercially viable farms which was the main component of the MIAP mandate.

Furthermore, a total of 122 farmers were clients of MIAP in 1991, many of whom were not involved in agricultural pursuits previous to the formation of MIAP (Fossay & Cassie, 1993). Therefore, MIAP helped to create many new farms and supported the development of existing farms. It was also estimated by the DPA Group (1990) that without MIAP only 35% of those existing farmers would have been able to succeed, while 20% would have survived but with lower incomes, and 35% would not have been able to start at all. MIAP also showed a healthy cost effectiveness when compared to other Indian Agricultural programs such as the Saskatchewan Indian Agricultural Program (SIAP) (DPA Group, 1990).

DPA Group Inc. (1990: 4-12) states that MIAP financial supports did "cause some improvement in the financial and production results of client farmers." It summarized that there was an increase in First Nation farms and that MIAP (and MIADCo after 1986) made it possible for existing farms to survive. The most important services were reported as loans and contributions and advisory and training services (Cassie and Fossie, 1993). Key accomplishments of MIAP are, therefore, in its loan program according to the DPA Group Inc. (1990).

For instance, most First Nation farmers did not qualify for private sources of financing as they lacked sufficient credit history, and lenders were unable to secure their loans with assets on reserves. MIADCo loans, therefore, enabled farmers to increase their capital and cover operating costs which they would otherwise have been unable to finance privately, either because they lacked equity, collateral or the cash-flow to afford private interest costs. It was noted that MIADCo not only provided credit which was unavailable through private sources, but also operated flexibly, recognizing problems that First Nations farmers had with traditional credit sources. Because MIADCo had been established separately from Indian Affairs, it was often perceived as being more credible to First Nation farmers than Indian Affairs' IEDF loans. It was also observed by the DPA

Group Inc. (1990) that IEDF loans, although they were available, were often too small and provided little follow-up advice because DIAND lacked sufficient staff. It was also noted that a reliance on federal government programs such as IEDF was unacceptable as government programs had little credibility in the non-First Nation community, but were regarded as welfare (DPA Group Inc., 1990). As well, the Farm Credit Corporation was an alternative for only a handful of First Nation farmers. Many farmers, according to the DPA Group Inc. (1990), also appreciated the lower interest rates available through MIADCo. It was also reported that Board members, staff and farmers viewed the establishment of MIADCo with some pride as it was accomplished with MIAP core funding and on the initiative of MIAP. MIAP was cited as increasing the availability of credit and increasing net income from its lower cost loans. DPA Group Inc. (1990) concluded that the establishment of MIADCo had improved farmer's access to credit.

It must also be mentioned that the general farming environment in Manitoba from the early 1980s well into the 1990s was under intense pressure with variable harvests and commodity prices and increasing debt service costs (DPA Group Inc., 1990; Manitoba Agriculture, 1991; Fossay & Cassie, 1993; Wotherspoon and Satzewich, 1993). There was a 7.2% decline in overall farm numbers in Manitoba between 1981 and 1986 (i.e. from a total of 29,442 farms in 1981 to 27,336 farms in 1986). A severe drought in 1986 and 1987 exacerbated matters further and, combined with pressures on the international front, necessitated special federal and provincial government aid on a massive scale through the Special Canadian Grain Program, the Livestock Drought Assistance Program, and others (DPA Group Inc., 1990; Manitoba Agriculture, 1991). Even with such assistance, net incomes per Manitoba farms were under severe pressure, declining to the \$46,000 level in 1987 (DPA Group Inc., 1990). By 1988, over 20% of Manitoba's farm cash receipts were derived from special stabilization or supplementary program payments. It is interesting to note that as non-Aboriginal Manitoba farm's net income was declining in 1987, MIAP client net income rose to \$20,000 from a low of \$17,000 in 1986.

Though First Nation farmers were subject to these same general sets of pressures as non-Aboriginal farmers in Manitoba, it should be mentioned that perhaps there were some mitigating factors operating in their favor. Although the lack of clear land title and the consequent lack of collateral and reduced access to credit presented First Nation farmers with many problems, such factors may have shielded them from the worst of the general farm debt crisis. Another mitigating

factor was the higher proportion of First Nation farmers committed to livestock as opposed to crop production (as high as 70%) compared to a provincial average of approximately 30%. While livestock producers encountered difficulties during the hardships of the 1980s, they were not as severe as those encountered by crop farmers (Manitoba Agriculture, 1987).

In addition, 89% of the farmers included in the 1991 *Summary of Financial Results for First Nation Farmers*, conducted by Fossay & Cassie (1993), recorded positive income after direct expenses. Similarly, 95% of these farmers had positive net worth and 87% had positive cash flow (see Exhibit 3). It would appear that many First Nation farmers had positive key financial indicators (however, when examining the distribution of key financial indicators, a somewhat different picture arises - see Chapter Five and Exhibit 6).

Exhibit 4
Summary of 1991 Financial Results for First Nations Farmers

	Total Number	Percentage of Total
Total farmers in Model	114	100%
Positive Income Over Expenses*	102	89%
Positive Net Worth**	108	95%
Positive Cash Flow	99	87%

* *Income Over Expenses is calculated by MARA's farm income less direct farm operating expenses.*

** *Net worth is calculated as assets less liabilities.*

Source: PMS&K financial model of First Nations producers. (Fossay and Cassie, 1993)

Advisory Services

As well, it was felt that MIAP farm advisors were the front line service and were crucial for targeting and organizing many of MIAP's other services (including MIADCo). The DPA Group (1990) noted that many bands considered MIAP farm advisors as an excellent source of up to date information and praised some advisors for their expertise and energy. RCAP (1996), in discussing the general state of Canada's various Indian Agricultural Programs (including MIAP), concurred and stated that;

the tie-in with provincial extension services was a major step in giving Aboriginal people direct access to information from specialists serving non-Aboriginal communities. These services were absolutely essential for advancement and will fade away as the budgets are being reduced, unless other provisions are made (877).

InterGroup (1983), the DPA Group (1990) and Fossy and Cassie (1993) add that MIAP advisors provided valuable moral support and credit the program staff with spreading awareness of farming to Chiefs and Councils as well as individual Band members. Improved community pride and self worth were also mentioned by the DPA Group Inc. (1990). In addition, Fossy and Cassie (1992) insisted that some farmers were able to get off welfare as a result of MIAP (though no figures are given), although, it mentions that many did continue to need social assistance in addition to their farm income. Though specific data on how many MIAP farmers were using government assistance programs, like welfare, are not given in any of the reports, a 1988 figure for MIAP (DPA Group, 1990) average off farm income mentions an amount between \$20,344 - \$22,604, much of which (though no firm figure is given) is stated as government welfare payments.

Although established farmers were aware of and usually participated in some other government programs, MIAP (and later MIADCo) services did not overlap others, but complimented them (DPA Group Inc., 1990). MIAP was widely seen as a substitute for other services when First Nations farmers either did not qualify for those services (because they lacked the skills or collateral needed) or needed more specialized intensive assistance than was available elsewhere. MIAP farm advisors and head office staff referred clients to other programs and provided implementation and training assistance on some other projects (e.g., Special ARDA).

The DPA Group (1990) states that MIAP's most successful clients also acted as role models on their reserves, spreading the awareness of the potential in farming. Nevertheless, with the downturn in the Manitoba economy in the 1980s and early 1990s, this potential was less obvious than it was in the 1970s (DPA Group, 1990).

First Nation Agricultural Growth

The largest successes of MIAP can be seen when one compares the contemporary situation of First Nation farmers (see Chapter Five) to that of the MIAP period. Before MIAP was established in 1975, Manitoba had few First Nation farmers, only a handful of whom (estimates

range from 5-20) were commercially viable (DPA Group Inc., 1990). At that time, First Nation farmers were mostly operating subsistence farms with little modern equipment, little access to credit, and little or no record keeping. Because they had little training in farm practices and used few Manitoba Agriculture services, their yields, income and assets were lower than non-First Nations farmers. In addition, much of First Nation lands were leased to non-First Nation farmers, and little new land was being developed (DPA Group Inc., 1990). In 1990, it was reported by the DPA Group Inc. (1990) that DIAND and other agencies, for the most part, felt that without MIAP, there would be fewer new farmers, and existing farmers would have more difficulties. In fact, it was estimated by the DPA Group Inc. (1990) that 70% of farmers felt that without the program's help, they would have either been worse off, taken longer to establish, would not be established at all, or would have gone out of business. In addition, in discussing the various Aboriginal agricultural programs across Canada (including MIAP), the RCAP (1996) states that;

...the programs actually caused a turnaround so that successful farmers now exist, where none were before, as a direct result of daring investments and loans, is positive. And, that the bands now take some time to specifically address agriculture, whereas most had not before the 1970s, gives encouragement to those responsible for working with individual bands. These initiatives will fade [*have faded*] as moneys are restricted and staff laid off. (*italics mine*) (877)

Furthermore, the 1999 First Nations Agricultural Producers Survey states that the majority of today's First Nations agricultural producers (54.3%) expressed that the amount of acres farmed on reserve has actually decreased since the demise of MIAP. This was attributed, in Romanow, Bear and Associates (2000), to a number of First Nation producers leaving the land due to financial reasons. Perhaps, as Romanow, Bear and Associates (2000) concede, it could also be attributed to the lack of any support program such as MIAP.

In addition, the First Nations Agricultural Producers Survey (1999) identified that a significant number of First Nation farmers felt that access to capital (88.6%), lack of land (62.9%), and lack of training and advisory services (28.6%) were the major barriers to continuing farming activities post MIAP. It is interesting to note that loans and contributions, advisors, and training were three areas that MIAP concerned itself with, for the most part, and had some success in during its existence. This corresponds to client assessment surveys conducted by Intergroup in 1982 and by DPA Group in 1989. The Intergroup (1983) assessment (though no percentages were given)

reported that most farmers felt that financial arrangements (contribution and loans) were the most important aspects of MIAP program components, followed by advisor and training components and access to land. The Intergroup (1983: 60) assessment concluded by saying that:

Overall, the client respondents had a favourable impression of MIAP and of its program components. Their views with respect to ultimate program output, i.e. viable Indian farms, however, were mixed.

The DPA Group (1990) survey identified 50% of respondents as stating that loans and contributions were most important to their success, while 37% identified advisory and training services as most important (there were no questions concerning access to land in the DPA Group study). As a result, it is evident that First Nation farmers felt that during the life of MIAP its programs were most beneficial in the areas of loans and contributions, advisory and training services, and land acquisition. These are the same areas mentioned as barriers to successful First Nation agriculture after the demise of MIAP. As a result, it is fair to conclude that in the areas of loans and contributions, advisory and training services, and land acquisition, that the present situation has worsened for First Nation farmers since MIAP ended.

Finally, MIAP did show that First Nation people could be accountable for the administration of their own economic programs (P.M. Associates, 1978). MIAP also provided farmers with more confidence and encouraged First Nation participation in planning and programming as was first envisioned in 1969 with the "Manitoba Project" (Manitoba Project, 1969).

In the absence of MIAP, it is reasonable to conclude that some agricultural development would likely still have occurred on reserves. However, would farmers have achieved similar results without MIAP services? The DPA Group Inc. (1990: 4-23) answered such a question when it stated that; "without MIAP/MIADCo, we feel that little agricultural development would likely have occurred." It was felt that fewer farms would have been started and of those started; more would have gone out of business. As well, the fewer farmers establishing themselves would have taken longer to set up and would have operated at reduced net incomes (due to the lack of accessing loans and contributions, advisory and training services and land). In addition, the number of non-First Nations leasing reserve land would also have continued to increase while the number of First

Nations members using reserve land for agricultural purposes would have decreased (DPA Group, 1990). When viewed in this way, one can see the positive impact that MIAP had on First Nation farming.

Chapter Five

The Downside: Weaknesses of MIAP

Problems Experienced By MIAP

MIAP experienced a variety of problems according to the literature (particularly through the DPA Group, 1990 and Fossay & Cassie, 1993) and to various informants involved in MIAP, particularly Miller (2002), Bear (2002) and Van Hussen (2002). [Both the DPA Group (1990) and Fossay & Cassie (1993) also conducted direct interviews with key stakeholders, including MARA and MIAP coordinators and officers, Government officials and First Nations producers.] From these data, it appears that a number of key problems highlighted the weaknesses with MIAP. The main problems experienced by MIAP will be further discussed under the following headings:

- 1) Candidates
- 2) Advisory Services
- 3) Land Resources
- 4) Capital and Credit
- 5) Corporate Management and MIAP/MARA Organization

Candidates

The first constraint on First Nation agriculture attributed to MIAP is in the number of persons it was able to attract to the farming industry. Though in some instances, goals were realized, the percentage of First Nation individuals attracted to agriculture remained very small. [200 farmers by program's end] (Fossay and Cassie, 1993). Though this does represent a rise in number of First Nation farmers from the pre-MIAP period (52 farmers before 1975 to 200 in 1993) it can also be argued that it is far short of MIAP's long range goal which envisioned the establishment of 300 viable First Nation farm units first predicted in 1975.

MIAP also offered a number of incentive and rebate programs to both attract new farmers and to help already established farmers . They ranged from crop insurance programs to seeding programs for wild rice growers. Incentive and rebate programs were, historically, the core of farmer assistance programs offered by MIAP and it was these programs (in addition to training and advisory services) which helped to attract new First Nation farmers (Intergroup Consulting, 1993). In the last two years of MIAP, a number of these programs were eliminated or reduced. For

instance, according to the MIAP (1993) Special Incentives Summary, special incentives were drastically reduced from the 1992 period when compared to MIAP's inception in 1975. Over the first 15 years of MIAP's existence, an average of over \$900,000 was disbursed for special incentives each year. This amount was reduced to \$352,000 in the 1992 fiscal year. Programs, such as the wild rice seeding program, were eliminated altogether. This represented a significant reduction in service to individual producers in MIAP towards the end of the program.

Some unintended negative impacts have also been attributed to the program as a whole. Some Bands and Band members resented MIAP's benefits flowing to individuals rather than to the community (DPA Group Inc., 1990; Wotherspoon and Satzewich, 1993). In addition, many farmers felt that many community members did not support MIAP farm ventures. "Some farmers noted that relations with other reserve residents were not good and in fact they had been subject to serious vandalism" (Intergroup, 1983: 57). Furthermore, the DPA Group Inc. (1990) stated that many Bands deprived of access to economic development funds used by MIAP sometimes believed that MIAP was largely a waste of money. This feeling was especially encountered in some northern bands and Tribal Councils (DPA Group, 1990). It was also noted that some Bands and Tribal Councils felt that MIAP supported many farmers who were not large enough to survive. They felt that this harmed the program in the long run as its clients were seen to be unable to improve, discouraging young people from farming (Wotherspoon and Satzewich, 1993).

Advisory Services

The DPA Group (1990) and Fossay & Cassie (1993) highlighted that advisory services, including education and training, were the key components for building new viable First Nation farm units. Farm advisors helped to explain basic practices to farmers and helped communicate information between headquarters and individual clients. They promoted new ideas and provided expertise on site.

The introduction of MIAP in 1975 was intended to promote participation in agricultural production by First Nation people. It recognized that many First Nations people did not have a long-standing agricultural tradition. The fundamental issues addressed by the original MIAP programs centered around basic agricultural education and skills training and the use of farm advisors. The first farmers to access these programs required basic skills. The programs and

advisory services were supposed to address these basic needs.

Fossay & Cassie (1993) stated that First Nation farmers relied heavily on the advisory services offered through MIAP extension services. Still, the greatest issues facing many of the MIAP farmers was that other programs began to take necessary money and resources away from education, training and advisory commitments (see page 75 for an explanation of how money was taken away from training and advisory programs). Some producers felt that the financing of start-up ventures had left farmers with less access to education and training programs.

Fossay and Cassie (1993) and the DPA Group Inc. (1990) were also critical of some of the farm advisors level of expertise. Although many seemed knowledgeable and available, some advisors were viewed as not having sufficient expertise. When compared to the Saskatchewan Indian Agricultural Program (SIAP), it was noted that all of SIAP's seven agricultural representatives were qualified agrolgists (Resource Initiatives (a), 1985). However, this was not a requirement in MIAP (DPA Group Inc., 1990).

Furthermore, it was felt that farm advisors needed clearer guidelines and supervision through either the creation of a field supervisor position or through reassignment of management responsibilities so that MIAP's manager could devote more attention to monitoring and directing advisors. The DPA Group (1990: 5-15) elaborates by saying:

MIAP is sometimes criticized for their lack of monitoring and control. many Board members are largely satisfied, but some agree that the quality of advisors varies widely and without information on client performance, they have no means of assessing how effective advisors are at assisting clients. Few clients (10%) specifically want more farm advisors. Most are satisfied. A few are satisfied, not with the number of advisors, but with their quality or availability. This is not a problem solely of the quality of advisors. Without clear expectations, advisors have been largely left without direction. Some advisors have been able to work in these conditions and are praised by all for their dedication and results. Some have had difficulties. Delegating responsibility must be clear but not so narrow that advisors have no ability to adapt to local conditions. Our impression is that present responsibility is not too narrow. Instead we believe farm advisors responsibilities are too wide, and so little monitored that the program has only succeeded when advisors themselves are highly motivated. The Board has no mechanism to ensure their intended goals are being achieved unless clients complain. We believe this system is unfair both to clients, farm advisors, and the Board's objectives.

One significant weakness of MIAP concerned the fact that MIAP advisors were often not

able to assist with alternative agricultural production. Alternative agricultural products included products other than cattle, grain, forage or swine. A number of feasible opportunities, never explored by MIAP, were suggested by Fossay & Cassie (1993). These include:

Berries

Rose Hips

Roots

Mushrooms

Peat Moss

Many of these products were available naturally for harvest and could have been potential cash crops, particularly in northern and remote regions where traditional agriculture was not feasible. In addition, it has been suggested by Priest and Meredith (2001) that hydroponic herbs/spices or greenhouse crops could be considered as well, for areas with little traditional agricultural potential. Growing Prospects, a commercial hydroponic education and herb growing centre in Winnipeg, has prepared a proposal to train the First Nations people in hydroponic herb and vegetable gardening in conjunction with Manitoba Hydro (Nickels, 2001). An alternative program such as this was never envisioned by MIAP. In addition, the DPA Group (1990: 5-11) suggested that advisors should initiate more support in “the north for non-traditional agriculture (for example wild rice, fish farming or fur farming).”

Furthermore, the last phrase of MIAP’s mission statement read: “...A new initiative is the mandate to provide special services to northern reserves in respect to agriculture” (MARA, 1990: 8). MIAP was unable to meet this stated mandate by failing to support alternative agricultural activities. Instead, MIAP advisors tended to focus on the traditional agricultural activities. As a result, no support existed for those individuals wishing to pursue alternative agricultural production or harvesting.

In addition, it was suggested by the DPA Group (1990) that program advisory services should have been organized to encourage a staged progression of clients from start-up to commercial viability, with a different mix of services available at each stage with a conscious effort to integrate farmers into other programs services. For instance:

Clients do not regularly use other farm advisory services and because of their lack of awareness it is not easy to increase their participation in outside services. Although

the program's last plan (in 1985) included a target of increased use of MDA [Manitoba Department of Agriculture] Specialist services, few people interviewed feel use has increased greatly. As no monitoring was done, any increase that did not occur cannot be estimated. MIAP's reputation will only suffer if they attempt to provide all services for farmers. MIAP cannot provide the breadth of advisory service needed for all farmers' needs. Although some of the best farmers already use outside services, there is a reluctance to integrate and there is pride in a separate, Indian controlled program. However, Indian control will only be enhanced if farmers are financially successful, not if they remain dependent on MIAP alone for all their support. To achieve better use of MDA services, MIAP advisors need to work more closely with MDA staff, keeping them informed of client progress and the program's plans. (DPA Group, 1990: 5-14).

It was also stated by the DPA Group (1990) that MIAP should assess which specialties were lacking in advisory services elsewhere, and offer more specialist services in a few technical areas, rather than more technical advice.

In addition, the DPA Group (1990) voiced a concern that there was an evident reduction in the activity of MIAP advisors. Fossay & Cassie (1993) concurred, and added that by 1990, many producers indicated that MIAP advisors were not providing the same level of support enjoyed in the early years of the program. This claim is supported by the fact that MIAP reduced the number of advisors from 11 full-time advisors to 6 full-time advisors and one part-time advisor in 1985, a figure which it maintained through to 1992 (Fossay and Cassie, 1993). Also, as early as 1978, some 291.8 months of on-farm advisory services were provided to First Nation farmers (P.M. Associates, 1978). This was far less than the specified 360 months budgeted for the initial three years (1975-1978).

Other problems concerning farm advisors were mentioned by both the DPA Group (1990) and Fossie and Cassie (1993) and included the dual role of farm advisor/loans officer that MIAP advisors played. MIAP clients felt that advisors were on-site only to collect loan payments. It was felt that the dual role of farm advisor/loans officer led to the perception that farm advisors had become loan collectors. This also hints to the fact that farm advisors could not focus entirely on the issues facing their client farmers. It was felt by one informant that;

Farm advisors should have been providing assistance to First Nations farmers in applying for financial assistance, but they should not have been involved in the approval of loans or collection of payments. (Former MIAP Farmer #1, Personal Communication, 2001).

As well, it was mentioned that many farmers were unaware of training available through the program (DPA Group Inc., 1990; Fossay and Cassie, 1993). It was suggested by the DPA Group (1990) that published newsletters with information on MIAP training programs should be made available to community members. However, the DPA Group (1990: 5-14) also felt that:

MIAP should not increase its training until it has a mechanism to assess the results of the training already provided. Instead clients should be assisted to participate in the existing training programs. Once the program has assessed its training priorities, based on a review of past activities and their results, then MIAP may find specific training needs which are unmet by other programs essential for their clients. Before additional training is provided, a more strategic approach must be taken.

It is evident that MIAP advisory services needed more qualified advisors and clearer guidelines and supervision. In addition, MIAP advisors were not able to assist in alternative agriculture, did not use provincial extension services well, and were not being used to full potential due to a lack of information on advisory services for the average First Nation farmer. Other advisory weaknesses include a reduction in advisor activity and the problem of using advisors as loans officers on top of their advisory duties. Problems with MIAP education services included a conflict in fund availability for educational programs (see page 75) and an inability to assess the results of training provided.

It appears that a commitment to farmer education and training through advisory services, one of MIAP's early core responsibilities, had dissipated over the years, and had become one of its weaknesses. This occurred despite a 1978 Evaluation Report (P.M. Associates Ltd., 1978) which highlighted the needs for a stronger advisory and training program within MIAP.

Land Resources

First Nation farmers who had established themselves in Manitoba have secured most of the land they employ from their Bands through Band Council Resolutions and subsequent lease arrangements. In addition, much of the land is held under Certificate of Possession, a transferable instrument of tenure tantamount to title in fee simple. Leased land was ordinarily rented at annual cash rents (which were approximately \$40.00 per acre in some areas in 1985 (MIAP, 1985)). This was viewed as an impediment to continued development of First Nation agriculture (MIAP, 1985).

The DPA Group (1990) also indicated that MIAP clients were concerned with the

increasing shortage of land for new or expanding farm operations. Securing land for farming on or near reserves was difficult, both because of costs and availability. The problem was most severe for new farmers and those wishing to expand their farming operations (DPA Group Inc., 1990).

In addition, most bands lacked written land use policies. In some cases land use was decided by the Chief and Council as proposals were received. In other cases, Band members individually decided how the portion of land under their traditional control was to be used. In both cases, the farmer given the use of a portion of land lacked the security of tenure, as their land could be taken back by the next Chief and Council or inheritor of the Band member's traditional rights (DPA Group Inc., 1990). This uncertainty reduced the farmer's incentive to invest in the land and makes it difficult for farmers to assemble large acreage. Bands also faced population growth on reserves and pressure from members to prevent a minority from benefitting from the land (Wotherspoon and Satzewich, 1993). Often, Bands viewed their land as a potential source of revenue from leasing and preferred to lease land to non-Aboriginal farmers (DPA Group, 1990).

Another related problem involved the fact that few First Nation farmers had credit for large operating or capital loans from private sources. Access to credit and land tenure are interrelated problems. Unable to use their reserve land as collateral, First Nation farmers had to establish a reputation with private lenders. Until then, they often could only use MIADCo, whose funds were never sufficient to lend to all. The agricultural economy of the 1980s and early 1990s tightened lending requirements of banks. Due to the high failure rates on all their agricultural loans, banks and credit unions reduced financing available to all of their high risk clients, which First Nation farmers were considered to be.

In addition, though First Nation farm acreage had increased from 1975 to 1990 (77,000 acres in 1975 versus 175,000 acres in 1990), it still meant that about 65,000 potential acres were not being farmed by First Nation farmers. Also, the average farm size had not increased significantly over the MIAP lifetime (530 acres in 1975 versus 682 acres in 1990) and was far below the projected 800 acres in the 1988 program objective (DPA Group, 1990). In fact, average farm size had actually dropped in 1990 from a high of 685 acres in 1986, and continued to drop into 1993 (to 650 acres). It is interesting to note that the Manitoba average farm size was 800 acres in 1986 (DPA Group, 1990), meaning the goal of reaching parity in average farm size with non-Aboriginal Manitoba farmers was far from being realized. In addition, MIAP crop yields were substantially

less than provincial yields, ranging from 19% less for wheat to 40% less for barley and canola (DPA Group, 1990). In fact, no crop yield improvement was evident from 1983 to 1992. Though not dramatically significant in itself, it does suggest that the MARA's 1990 service objectives of achieving 200 viable farm units was a difficult objective to meet given the low statistics in average farm size and crop yields over time as expressed by the DPA Group (1990).

As a result of an inability for established and new First Nations farmers to secure land, and because most reserves had no land use policies (in addition to credit/collateral problems experienced by First Nation farmers), land resources, including average farm size and crop yields can be viewed as a weakness of MIAP.

Capital and Credit

Agriculture is a capital intensive industry. Annual operations typically require short term financing to cover the costs of seed, fuel, fertilizer and agricultural chemicals (in the case of a grain producer), or feed, fuel, and other operating costs in the case of a livestock producer. Longer term financing is typically needed to finance the acquisition of machinery, livestock, fencing, land or major land improvements such as clearing or drainage (Resource Initiatives, 1985). The credit problem confronting those who wished to establish commercial farms during the MIAP era can be illustrated by a Saskatchewan study conducted by Resource Initiatives in 1985 for the Native Economic Development Program. It states that:

A farmer wishing to establish an "average commercial farm would require total investment capital of about \$360,000 plus operating capital of perhaps \$30,000. Assuming such an hypothetical farmer (Indian or non-Indian) invested a 50% equity (i.e. \$180,000), and borrowed the remaining \$180,000 in a mixture of short and medium loans, and borrowed seasonally another \$30,000 for operating purposes, annual debt servicing costs would approximate \$27,500. In addition to this cost, the farmer would be confronted with taxes, fuel costs, fertilizer costs, chemical costs, repairs and maintenance totaling perhaps \$30,000. With total sales of about \$60,000, the farmer would be left with \$2,500. This sum would be the total cash income to farm labour and management, and the total support for a farm family (except for income in kind won from a kitchen garden and perhaps some non-monetized production of animals or dairy products. There would of course be no return whatever to the \$180,000 equity investment.

The purpose of the foregoing hypothetical Saskatchewan farm example is to illustrate the background to the problem faced by First Nation farmers attempting to establish a commercially

viable farm during MIAP times. Typically, potential First Nation farmers had little if any equity. The first requirement would be the acquisition of land. Typically, three options would probably exist; he might rent land from the Band (or from some other land owner), he might buy Certificate of Possession or patent land, or he might obtain the right to clear and improve reserve land. Renting land would likely require substantial cash payments each year. In 1985 (the only year such figures could be found) payments would average about \$20,000 (MIAP, 1985). In addition, purchase of land (again at 1985 rates) would likely cost in the order of \$150,000 to \$250,000 (MIAP, 1985). Clearing and improving 260 - 500 acres of land would likely cost in the order of \$100,000 (MIAP, 1985). In 1985 (and until the demise of MIAP) grant funds were limited to \$60,000 for all purposes. The potential First Nation farmer would also be confronted with the need to acquire machinery and livestock or at the very least, to obtain operating capital. Total loan funds available through MIAP/IED (and later MIADCo) were limited to \$60,000. At best, the new farmer would probably find the available mixture of loan and grant funds limited to \$120,000 and would probably find that his capital requirements to establish a commercially viable farm were at least double that amount. These figures correspond to the conclusion reached by Resource Initiatives (1985: 39) in its study of the Saskatchewan Indian Agricultural Program: "The availability of capital, whether as grants, loans, or as a combination of these, is an impediment and a constraint on the development of commercially viable Indian owned farms." MIAP/IEDF and later MIADCo loans, bank loans and other sources of commercial credit were useful, and in many cases, may have been adequate to the needs of established First Nation farmers who wished to expand their operations (even though the \$60,000 limit may have been an impediment to some prudent expansions) (MIAP, 1985). However, since most First Nations farmers tended not to use commercial credit sources, the availability of capital was seen as a constraint upon increasing the number of viable commercial farms owned and operated by First Nations farmers (MIAP, 1985; Fossay & Cassie (1993). In addition, both MIAP (1985) and Fossay & Cassie (1993) agree that the credit systems were more adequate to the needs of established farmers wishing to expand or improve their operations than to first time First Nation farmers (Intergroup, 1983). Therefore, despite the contributions limit being an impediment to some established MIAP farmers (no actual figures could be located), it certainly was a problem for first time or new MIAP farmers according to Intergroup (1983), MIAP (1985) and Fossay and Cassie (1993).

Intergroup (1983), also conducted an analysis on the contributions component of MIAP based on comparisons between 1975 and 1981 data, and the results of its analysis clearly indicated a need to re-assess contribution limits. As in the Resource Initiatives (1985) Saskatchewan study, Intergroup (1983; 80-81) discussed MIAP contribution limits, stating that contribution limits were:

established in 1975; since that time, general inflation has almost halved the value of the dollar [and] farm input prices have more than doubled.... loan requirements for livestock and machinery have tripled [and] long term interest rates and operating loan interest rates have also increased.

The Intergroup (1983; 83) study stated that if a farmer began operations in 1975, he might survive, but only if the farmer had non-farm income to cover his operating losses (which were projected to reach \$11,000) and to make provision for asset depreciation (his equity will have declined by some \$15,000). In other words, the Intergroup (1983) study suggests that only through alternative, off-farm income and/or loan extension would such a farm be able to keep operating.

This figure is even more dire, according to Intergroup (1983), if the same client were to begin operations in 1981. Intergroup's (1983) predicted that such a farm (whether grain farmers or livestock farmers) would not survive the first five years, and if it did, equity losses would exceed \$35,000. Intergroup (1983; 83) concluded:

All income to meet personal would have to come from other sources. With a very large off-farm income, the farmer may have been able to ameliorate the state of arrears shown to have developed by year 3 (i.e. some \$30,000 in principal and interest). For most MIAP sponsored farmers, however, this level of income does not exist, nor is there sufficient equity to buffer the farmer against the interest costs of his debt load. Indeed, that is why the contribution component exists. Here, in a reasonably typical situation, it is shown to be inadequate. Given MIAP's current policies, this farmer would have been closed out within three years.

This situation concerning the limitations of MIAP contribution limits was also discussed in similar terms in MIAP (1985). In addition, the severity of this situation can be exemplified by the fact that from 1983 to 1993, an average of 50% of the portfolio's accounts were in arrears (Intergroup, 1983; DPA Group, 1990; Fossay and Cassie, 1993). Among conventional lenders and indeed DIAND itself, such an arrears situation would prompt increases in foreclosures, liquidation's and bad-debt write-offs. Such was the case for MIAP/MIADCo. Whereas in 1978 five foreclosures and

liquidation's occurred, by 1980, the number had risen to nine (Intergroup, 1983). In fiscal 1982/83, there were 11 foreclosures (DPA Group, 1990). By 1990, "64% of the loan portfolio were written off as uncollectable" (DPA Group, 1990; 5.6)

Exhibit 5
Summary of MARA Disbursements for 1991 and 1992

Disbursement	1992	1991	% Change
MIAP	929,938	959,938	.3%
MIADCo	360,000	360,000	0%
FNV	284,573	197,573	44%
Administration	830,408	566,524	47%
(general breakdown of services not provided; includes all board, support staff, and field operations costs)			
TOTAL	2,404,919	2,084,035	15%

Source: Fossay and Cassie, 1993.

Furthermore, financing available to MIAP/MARA had actually decreased over the time of the program. For instance, total MIAP financing in 1975 was \$5.6 million (MIAP, 1980). This increased to \$6 million in 1980, but had dropped to a significant low of \$2.4 million in 1990 and \$2.1 million in 1991. This represents less available monies for loan purposes (which the DPA Group (1990) identified as being one of the most important aspects of MIAP/MARA according to MIAP farmers) and also meant that advisory and training programs (also identified as important components by the DPA Group (1990)) were severely cut back.

In addition to financing being cut back significantly for MIAP/MARA, Fossay and Cassie (1993) indicate that the general disbursement of contributions to the various MARA programs was being spread too thin. During the 1990 - 1992 period, for example, MARA contributions to FNV and general administration increased significantly, as compared to increases in programs directed specifically to producers through MIAP and MIADCo (Fossay and Cassie, 1993). According to Intergroup (1983) general administration costs included all board and support staff costs (which numbered 24 in 1982), field operations and staff (which included two field extension workers and ten field farm advisors and three support staff in 1982), office and equipment supplies, as well as travel, rental, and reimbursements, and miscellaneous overhead (not specified). In 1982, general administration costs were \$737,000 which by 1992 jumps to \$830,408 (A summary of MARA

disbursements for 1991 and 1992 are provided in Exhibit 4). This represents a significant rise in general administration costs at the expense of MIAP and MIADCo.

Exhibit 6**MARA'S 1990 Service Objectives (Strategic Plan)**

Service Objectives:

- a) Through a focus on income enhancement for existing producers, to fully establish 200 viable farm units.
- b) To develop overall gross sales of 10 million dollars on the basis of \$50,000/unit average.
- c) To create a climate whereby 50% of the producers become regular users of provincial extension services.
- d) To support the development of 30 new enterprises in the north and south based on new enterprise opportunities such as rice, rabbits, game ranching, etc.

Results:

- a) 122 farm units exist in MARA database. The majority of these could be considered as "viable."
- b) 1991 gross sales were approximately \$3.5 million. Average gross sales per farm . unit was \$29,361.
- c) Our survey indicated that few First Nations farmers access Provincial extension services.
- d) Three new enterprises have been established: Wapos Inc. North Country Wild Rice Indian Management Services

Source: Fossay and Cassie, 1993.

This summary of disbursements demonstrates that more of MARA's financial resources were being applied to the venture capital operations and general administration. The core of MARA programs that directly impact on the First Nations farmers, namely MIAP and MIADCo, were receiving a smaller percentage of the funding (which was shrinking each year). In addition, the allocation of funds to these designed four program areas is significant and a bit optimistic, when one examines MARA's service objectives as laid out in their five year strategic plan (see Exhibit 5). Fossay & Cassie (1993), indicate that a decline had occurred in the level and quality of some of the core services provided directly to First Nations producers. Further, the stated goal of 30 new

business ventures can be considered to be somewhat optimistic as compared to norms in the venture capital industry in Canada according to Fossay & Cassie (1993). Given these observations, it was very likely that MARA did not have the necessary financial and managerial resources at its disposal to accomplish all of its stated service goals and provide a consistently high level of the core services required by First Nations producers through MIAP and MIADCo.

Exhibit 7
Distribution of Key Financial Indicators, 1992

<u>Income Over Expenses</u>			<u>Net Worth</u>			<u>Cash Flow</u>		
Number	%		Number	%		Number	%	
<\$5,000	36	32%	<\$25,000	57	50%	<\$5,000	61	54%
<\$15,000	46	40%	<\$75,000	36	32%	<\$15,000	30	26%
<\$25,000	15	13%	<\$125,000	15	13%	<\$25,000	11	10%
>\$25,000	17	15%	>\$125,000	6	5%	>\$25,000	12	11%

Source: Fossay and Cassie, 1993

Given the limited resources available to MARA, it would seem that a re-evaluation of its service goals (as stated in Exhibit 5) would have been in order. A re-assessment and re-prioritizing of goals in accordance with MARA's level of available resources may have alleviated the problem of MARA's financial resources being spread too thin. As a result, MIAP did not receive the necessary money it needed to function properly.

Fossay & Cassie (1993) developed a model of the financial results for farmers using financial data gleaned from the MARA database (which could not be located) and MARA financial statements (much of which could also not be located). Financial data for 114 of the 122 MARA clients was available at the time of the 1993 study (though much of this primary financial data seems to have disappeared from the MIAP files and could not be located). The analysis from Fossay & Cassie (1993) demonstrated that farming was not highly profitable for a large number of farmers. For example, 72% of the farmers reported income after expenses of less than \$15,000, 50% reported a net worth of less than \$25,000, and 80% reported cash flows of less than \$15,000 (Fossay and Cassie, 1993; see exhibit 6). These 1991 figures compare rather poorly with

the average gross farm incomes among non-First Nation farmers in Manitoba, which were approximately \$38,000 in 1975 (P.M. Associates, 1978) and \$56,000 in 1981 (Intergroup Consulting Economists Ltd., 1983). In 1991, only 15% of the First Nation farmers in MIAP had gross farm incomes over \$25,000. As a result, average gross farm incomes for First Nation farmers had not even reached the 1975 level of non-Aboriginal Manitoba farmers by 1993

**EXHIBIT 8:
1983 INTERGROUP EVALUATION RECOMMENDATIONS**

Conclusion	Recommendation and Status
1. Fallen short of most objectives.	Continue funding Data insufficient to estimate achievements of most objectives accurately but likely continue to fall short. Need for support of Indian farming continues but future funding depends on program's ability to plan future activities.
2. Clients still highly dependent on MIAP.	Both contributions and loans needed beyond 1985. Both still required but clients still highly dependent on MIAP and farm advisors not adequately monitored to ensure contributions, loans, etc. are achieving results.
3. Slow pace of development	Concentrate resources on existing clients, with minimal new farms beyond current 184. About 35-40 new farms started in last 5 years but other resources were concentrated on existing clients.
4. Training not being applied in farm operations.	Case by case monitoring only, no record system established and no determination made on costs, application of knowledge and career paths except by individual clients. No plan for training program. Improve follow-up through monitoring and record systems to determine: a)who uses b)cost per client c)application of knowledge d)trainee career paths.
5. Contribution ceiling of \$60K too low.	Separate limits on land development and other contributions with approval for land development based on reasonable acreage and tendered costs. contributions still up to \$60K.
6. Loan portfolio has increased arrears, foreclosures	Continue to improve post loan counseling, maintenance of security on long term loans, credit checks, too rapid application reviews, terms and conditions of loans. MIADC0/IEDF portfolio continue to have high arrears (68.8% of portfolio).

Source: DPA Group, 1990

The results indicate that farming did not provide a significant source of revenue and cash flow for many First Nation farmers. Many of these farmers, however, did not consider farming as their primary or only source of revenue. Many individuals were active in other pursuits such as fishing, trapping or belonged to local band or tribal councils. For instance, the MARA and MIAP Boards were made up of individuals who were also farmers (such as Ed Anderson, Tom Cochrane and James Moar) except for the DIAND, provincial and business community Board members. In

**EXHIBIT 9:
MIAP PROGRAM PLAN 1985 TO 1990**

Action Plans	Status
1. Maintain database on clients.	Not done. Data collected in 1987 but database had many problems (inconsistent and unrealistic values) so not used. Database still not complete. January 1990 preliminary database reviewed but has many problems including data quality, database design and incomplete coverage of clients.
2. Maintain loans In current status.	Portfolio purchased by MIADCo. About 64% written off as uncollectable.
3. Establish training database	Not yet provided for this evaluation.
4. 250 viable farms at \$32,000 gross earnings	Not achieved. Only 100 viable farms. 1986 earnings - \$17,000; 1987 earnings - \$20,000. 1990 earnings - \$24,000
5. Establish MIADCo & takeover of IEDF	Done.
6. Land development funding with Special ARDA	Negotiations unsuccessful as Province did not want to become involved in developing reserve land.
7. 100,000 acres	Exceeded in 1988 (115,886 acres)

Source: DPA Group, 1990; Treasury Board, 1984

addition, Ed Anderson was also Chief of Fairford First Nation, meaning his income was from three sources, MARA, farming and from his activities as Chief. As a result, farming, for many, was a part time endeavor (DPA Group Inc., 1990). Though figures for how many farmers were supplementing their farming endeavors with other sources of income is not available, because MARA did not keep

a record of such data, MIAP's mission, as described in a December 13, 1985 MIAP Board Meeting, of creating a "program that will be directed towards eventual self-sufficiency and independence" (5) was not achieved. It is clear that farming, on its own, did not provide a viable source of revenue or cash flow for First Nation farmers.

One of the most important failures associated with MIAP involved the conclusion that MIAP fell short of most of its goals and objectives. This conclusion was reached by InterGroup Consulting Economists Ltd. (1983), DPA Group Ltd. (1990) and by Fossay and Cassie (1993). For instance, InterGroup Consulting Economists Ltd. (1983: 2) reported that MIAP had "fallen far short of its overall objectives with respect to farm numbers, productivity and viability (see Exhibit 7)." In 1984 the Treasury Board (1984) approved funding for MIAP through to 1990 (see Exhibit 8). But this was conditional upon MIAP meeting specific goals each year (Fossay and Cassie, 1993). Again, many of these goals were not achieved according to the DPA Group (1990). New service objectives were implemented in 1990 (MARA, 1990), and it can be seen from Exhibit 5, that the results fall far short of the stated service objectives as reported in Fossay and Cassie (1993). In spite of these shortcomings, it is interesting to note that all MIAP evaluations (such as, InterGroup Consulting Economists Ltd. (1983), DPA Group Ltd. (1990) and Fossay and Cassie (1993), recommended that MIAP (or some similar program) be continued.

Therefore, credit and finance problems, unmet service goals, inflation as well as contributions and credit limits were problems that were experienced by MIAP according to the literature. In addition to MARA receiving less funding over time, other problems included MARA increasing funding to FNV and administration (Exhibit 4) at the expense of MIAP and MIADCo, the organizations responsible for funding (through loans and contributions) First Nations farmers. This meant that MIAP's original objectives would be almost impossible to achieve.

Corporate Management and MIAP/MARA Organization

Management provides a mechanism to help farmers establish and improve their situation. Management must allocate resources and be accountable, both to funding organizations and to clients (in the case of MIAP it would also be accountable to a number of First Nation organizations such as AMC and Band Councils). Both the InterGroup Consulting Economists Ltd. (1983) and DPA Group Inc. (1990) felt that corporate management, although not a service to clients, either had

an effect on First Nation farmers or offered problems which affected the impact of other MIAP services. They reported that some Bands, tribal councils and outside agencies felt that MIAP management did not place enough emphasis on upgrading client's farm results (DPA Group, 1990). It was felt that management had not kept sufficient track of program activities for Boards to adequately assess the program's impact on farmers (Intergroup, 1983; DPA Group, 1990; Fossie and Cassie, 1993). the Intergroup (1983) and DPA Group (1990) reports also felt that the program had paid insufficient attention to training. However, both reports also comment that MIAP's lack of data on client's finances made it difficult to assess how training should be focused.

Furthermore, in examining the service goals for MARA, we can see that the organization took on two very distinct roles. These roles were, firstly, as a provider of support programs for First Nation farmers in Manitoba, and secondly, as a venture-capital organization with the goal of starting up 30 new business ventures over a five year period (see Exhibit 5).

Fossay & Cassie (1993: 10) ask "can one organization be effective in both roles." In other words, is it appropriate to risk reducing the level of programs to farmers in order to pursue new business ventures? During the same period that MIAP financial disbursements decreased by 3%, venture capital disbursements rose 44% to \$284,573 in 1992 (see Exhibit 4). It might also be fair to assume that a portion of the \$830,408 in administration costs could have been expended for FNV related activities. According to both Fossay & Cassie, (1993) and the DPA Group (1990), it appeared that pursuing new ventures presented a reduction in the resources directly available to First Nation farmers through MIAP. In other words, MARA had left established farmers in MIAP with little access to funds. Many producers felt that MARA disbursements should have been allocated to MIAP to maintain established farmers.

Too much money was going into projects under FNV such as the rabbit farm, which just lost money anyways.... More of MARA's money should have been going to the farmers for loans to buy land or equipment, not to pet projects like rabbit farms. I thought that was what MIAP was all about, helping the Indian farmer. (MIAP Farmer #1, Personal Communication, 2001)

The DPA Group also stated that the relationship between MIAP, MARA, FNV and MIADCo Boards should have been more clearly defined, explicitly stating which was responsible for planning and policy in which areas. Although the general organizational structure was outlined

and mission statements were established for each entity (see "The Organization of MARA" Chapter Three), there were different views about the purpose and eventual outcome of such a structure. It is obvious that MARA's Board should have defined the relationship between its various subsidiaries and set clear measurable (and realistic) goals for each to meet. Because MIAP advisors were vital to the functioning of MIADCo and FNV, it was felt by the DPA Group (1990) that the various companies of MARA should have been tightly and clearly integrated, a task which was obviously a major challenge.

In addition, according to a number of audits, evaluations, financial statements and research studies conducted over the years on MIAP capital purchases, expenditures and loans, there appeared to be a number of areas where there was potential for conflict of interest of MIAP Board members including 1) personal applications for funding (where eligible Board members or staff members apply for financial assistance either in loans or contributions), 2) contracting to MIAP (where Board members or staff members have an interest in organizations providing or tendering to provide services to MIAP/MARA or MIAP/MARA clients), 3) funding applications for relatives or associates (where Board members consider applications of individuals who are related to them or are well-known by them), 4) employment status with agencies such as DIAND or Credit Unions dealing with MIAP (where employees or officers of organizations routinely dealt with MIAP/MARA or MIAP/MARA clients who were Directors (P.M. Associates, 1978; Sill, Streuber, Fiske and Co., 1982; Inter-Group Consulting Economists Ltd., 1983; Sill, Streuber, Fiske and Co., 1985; DPA Group Inc., 1990). MIAP had procedures for dealing with potential conflict of interest situations involving Board members seeking financial assistance from MIAP/MARA (i.e. points 1. and 2. above) as explained by Intergroup (1983: 122):

A member whose application or tender is being considered cannot participate in either the discussions or the decision on the request or tender and must leave the room while it is being considered. In addition, applications or tenders of Board members are reviewed by the Region [Indian Affairs] to assure that these requests or tenders meet all the criteria required for granting of such assistance or contracts

It was felt that these provisions, particularly the review by Region, should allow for equitable consideration of these type of requests. However, it is worth noting that most organizations (e.g. City of Winnipeg and other municipalities) (City of Winnipeg, 2002) prohibit their Board members

or elected officials from participating in the benefits of expenditures by the organization. This prohibition is not necessarily because such participation is inherently unfair or inefficient. The issue is more often one of perceived equitableness and relates more to the credibility of the organization to its constituents than to unfair access to benefits (City of Winnipeg, 2002).

According to Intergroup (1983) however, the conflict of interest issue is not that simple. For instance, in regards to point #2, they contend that a Board member may, for example, be able to provide needed services to the organization at costs which are highly competitive with other potential suppliers. In addition because MIAP's Board was to be representative of Indian farmers, many of whom were farmers themselves, that these Board members were eligible for MIAP benefits. In other words, the case for Board members contracting to MIAP could not depend on the same rationale as that for other organizations.

By extension, then, it can be argued that agri-business opportunities should be made available to Indians and, therefore, Board members should not be excluded from participation in these opportunities. (Intergroup, 1983; 123).

Regardless of these difficulties regarding conflict of interest among Board members in the area of applying for financial assistance, Intergroup (1983) did state that concern was expressed by MIAP farmers, some program officials and representatives of the Aboriginal community (namely the AMC) that potential existed for conflict of interest in the area of Board members considering applications of individuals who are related or well known to them (point #3 above). The fear was that an individual Board member's knowing (or being related to) an applicant may have undue influence on the review of the application. For some, the requirement that a Board member be required to leave the room whenever an application from a resident of his reserve was being reviewed by the Board, was not an adequate safe-guard against conflict of interest or nepotism.

For example, the CBC (1993) I-team report made numerous references to the problems of conflict of interest in investigating the Wapos Inc. rabbit factory and to travel reimbursements of one of its Board members citing conflict of interest and nepotism (see Chapter Three, MIAP 1990-1993). Miller (2002) also states that the MIAP Board attempted to buy the Salisbury House restaurant chain inferring that this was a strange acquisition attempt by an agricultural program. Such conflict of interest caused a great deal of suspicion on the part of farmers (as well as

Aboriginal organizations such as AMC) and tended to raise questions about the success of the program by government officials, some of whom were very suspect of the program in the first place (DPA Group, 1990). However, there is little documented evidence of any conflict of interest (save what was mentioned in the CBC (1993) report and from personal communication with a number of former clients, officials and MIAP employees), and not one of the audits, or evaluation studies revealed any intentional misuse of funds nor of any conflict of interest on the part of MIAP's Board of Directors. However, it must be stated that the the Coopers and Lybrand (1993) audit (initiated by Indian Affairs) was unable to utilize all MARA materials since MARA did not provide Coopers and Lybrand access to all materials (declaring that since Indian Affairs was not the sole source of funding for MARA, it did not have to allow access to all its files) (CBC, 1993). This is obviously the case as Coopers and Lybrand (1993: 1) concluded in their audit that, "an overall conclusive assessment of MARA and its affiliates is not possible at this time, as all materials were not available for this audit." However, it is evident that much of the controversy surrounding the conflict of interest accusations were instrumental in the program's demise as Indian Affairs (after the Coopers and Librant (1993) audit report) wished to rid itself of such a liability since it was responsible, in part, for evaluating the program (in addition to having an INAC member on the Board) (Van Hussen, 2002; CBC, 1993).

There was a lack of accountability on the Board's part. Indian Affairs is just as guilty as the MARA Board as they were to make sure that the dollars given to MARA were spent in the way agreed and intended. This did not happen... Indian Affairs must have known what was going on because it had a member on the board. MARA lost focus and Indian Affairs let it happen. Indian Affairs did not want to be implicated in such a growing scandal so it just shut it [MARA] down. (Van Hussen, Personal Communication, 2002).

It was recommended in many reports (P.M. Associates, 1978; Inter-Group Consulting Economists Ltd., 1983; DPA Group Inc., 1990) that MIAP upgrade its safeguards by adopting a policy which prohibited Board members and staff from receiving contributions or from entering into contracts (other than normal employment) with the program. This was never accomplished and as a result, suspicion has continued to this day.

In addition, MIAP was accused of a conflict of interest where a Board member representing an outside agency had an interest in MIAP policy or activities which were not necessarily

compatible with the interests of the Corporation (point #4 above). An example was offered by Intergroup (1983: 125):

For example, an equipment dealer could conceivably have interests which would favour treatment of assets of insolvent MIAP clients in a manner different from that which would support the program's objectives. The Indian Affairs representative on the Board is automatically in a potential conflict of interest situation since he represents the funding agency and is, indeed, a major instrument of accountability to that agency.

However, Intergroup (1983: 123) countered this viewpoint by pointing out that:

The potential for conflict of interest has been reduced by having someone else within DIAND responsible for the monitoring and evaluation of the program. However, the representative's role in these areas cannot be completely eliminated without also destroying in part, the rationale for his Board membership. As long as the relationship is reasonably smooth, however, the potential conflict can probably be overlooked, since he is only one out of seven Board members.

Another problem regarding conflict of interest among the MARA/MIAP Boards involved the method of selecting the Boards. As stated in earlier chapters, MARA/MIAP Boards were self-perpetuating. When (as infrequently happened, as 3 of the original 4 First Nation representatives were still sitting on the MIAP Board when the program was terminated), a Board member resigned, his replacement was chosen by the remaining Board members. The approach, though uncomplicated (as there was no election mechanism), makes no formal provision for introducing new skills, ideas and perspectives to the Board. It also aggravates potential conflict of interest situations since, as noted previously, it is difficult to have bylaws which actually exclude Board members from program benefits if they are First Nation farmers with long Directorship tenure. In addition, many reports (Intergroup, 1983; DPA group, 1990; Fossay and Cassie, 1993) stated that there was a belief held by many First Nation leaders that the Board was not accountable to the First Nation populace because it was not accountable to the Chiefs or to AMC. Such a viewpoint held that:

Accountability to Chiefs would mean that the Chiefs of Manitoba's Indian Bands would have power of appointment or election of at least the Indian representatives on the Board. (Intergroup, 1983: 126).

Other problems included increased dissatisfaction due to a widespread perception that First Nation farmers were not adequately represented in the policy and decision-making processes related to the agricultural sector (Fossay and Cassie, 1993). MARA and its related organizations (including MIAP) were perceived as being too distant from the farmers it represented. This resulted, according to Fossay and Cassie (1993) in an increasing dissatisfaction with MARA, its Board structure and its management. Many stakeholders, according to both the DPA Group Inc. (1990) and Fossay and Cassie (1993) strongly indicated a desire for First Nations producers to be more active in the selection of Board members, in key decision-making activities and in the setting of priorities for the agricultural sector. First Nation producers wanted active participation in this sector as it was perceived that better representation by First Nation producers would help address some of their priorities and better address their needs (Fossay and Cassie, 1993). It was felt that accountability could only be accomplished through either a MARA Board structure that was elected directly by the First Nation producers, or through an existing elected body such as the assembly of Manitoba Chiefs. One informant bluntly stated that

If First Nations farmers were given direct responsibility for electing Board members for MARA and MIAP, then the organizations would be more directly accountable to the people they were intended to represent and support. MIAP never really understood our priorities They needed to try for greater programs and policies at the grass-roots level so that Indian farmers felt an increased ownership of those programs and policies. Then MIAP could have better understood and addressed our needs. (Former MIAP Farmer #2, Personal Communication, 2001).

Another option mentioned in Intergroup (1983) was to establish a Farmers' Advisory Committee, where active First Nation farmers would elect one representative from each of nine districts. the role of such a committee would be "to provide formal liason and advice to the Board...through quarterly meetings with the Board" (Intergroup, 1983: 143). However, it was ultimately felt that this degree of First Nation involvement would not be sufficient to deflect criticism from the larger First Nation community. Intergroup (1983: 143) felt that the general criticism by First Nations "focused on MIAP's relationship to DIAND and on the perceived power of a Board of Directors whose authority is not derived from Manitoba's First Nation political structure." Although "a few Bands and Tribal Councils expressed interest in having the power to allocate funding to MIAP themselves," according to The DPA Group (1990: 7-1), it was

felt that most Bands and Tribal councils would not likely allocate money to agriculture, as they usually have other pressing problems (such as unemployment, housing etc.). This opinion was supported by a client assessment program conducted by Intergroup (1983) in 1982, that found farmers divided on the question of Band or Tribal support for their farm venture:

Some felt that the Chief and Council, as well as their Tribal Organizations and community, supported their efforts. Others felt that the Chief and Council and Tribal Organizations did not support farming in general (Intergroup, 1983: 57).

For many farmers, according to Fossay and Cassie (1993), the issue of adequate representation at the Board level, where key decisions were made, was the most critical issue related to the First Nation agricultural sector and to MIAP. The argument for a mechanism which would allow new Board members to be appointed or elected routinely was made by a number of evaluation reports (see Intergroup, 1983; DPA group, 1990; Fossay and Cassie, 1993) as well as all of the MIAP farmers interviewed for this study. In fact, Intergroup (1983) and the DPA Group (1990) both made reference to alternatives for Board selection maintaining that:

many public funded organizations attempt to provide for both continuity (to take advantage of accumulated expertise) and new representation by requiring that a certain number of members (say a third to half of the Board) be replaced every term (say two years). These organizations also place a limit on the number of years or terms an individual may serve on the Board. (Intergroup, 1983: 124)

However, a contrary opinion concerning Board selection was offered by Intergroup (1983: 125) which seems to support the 'self-perpetuating' Board :

No election mechanisms needs to be established and operated at periodic intervals to replace the Board members. Without periodic elections, the kind of politicking which can surround short term directorships does not influence program operation. Some program officials argue that a long term Board is more committed to the job at hand, as evidenced by better attendance records than programs with an elected Board. Finally, a long term Board brings with it experience in choosing potential program clients and in directing such a program.

In a similar supportive tone it should also be mentioned that the Intergroup (1983:123) report included reference to an earlier study saying that:

The 1978 evaluation (P.M. Associates) concluded on the basis of a reserve-by-

reserve review of the loan and contribution funding that there was no evidence that the Board had shown any special consideration in the allocation of program benefits.

However, the analysis supporting the conclusion compared the percentage of total loan and contributions received for each reserve with the proportions each reserve had of total available agricultural land. Use of other comparative measures (i.e. proportion of active farmers, proportion of developed agricultural land in each year per reserve) might have yielded different results. Unfortunately, the MIAP/MARA database is mostly incomplete in these areas and in some years does not appear to exist at all. Consequently, inequitable consideration of applicants cannot be ruled out on the basis of that analysis.

In fact, the only way these concerns could either be substantiated or alleviated would have been by initiating a detailed review of a meaningful sample of applications and a comparison of objective client data with: farm advisors' recommendations, loan analysts' recommendations, Board decisions and MIAP criteria. A review of MIAP files and evaluation reports did not explicitly include such an assessment. However, Intergroup (1983: 124) did state that, "differing treatment of individuals in apparently similar situations was evident to casual inspection in a few cases."

Therefore, to this day, many feel that the adopted procedures used by MIAP were not really safeguards against inequitable treatment of applications by the Board. Despite the fact that none of the evaluation studies or audit reports concluded that any conflict of interest occurred, there appears to be potential for suspicion. As one respondent stated:

Those guys on the Board were lining their pockets with funds that should have been going to us farmers. Why else would they be buying rabbit farms in Saskatchewan and a building in Winnipeg? How was that helping Indian farmers? (Former MIAP Farmer #1, Personal Communication, 2001)

The issue surrounding the building at 286 Smith Street (which now houses SCO and a number of other First Nation agencies) which MIAP purchased in 1990, is a contentious one as many farmers were left wondering why MIAP would focus its resources on property ownership rather than agricultural related purchases. As another farmer relates:

To this day I do not understand why MIAP used what little money it had to buy the building. It was a waste. I could have used some of that money for help in my farm. I know that many of the other farmers felt the same way I did. It was a damn waste

and they could have just as easily rented a building and saved themselves a lot of money....The rest of the money could have gone to the farmers to purchase equipment or seed. The program should have looked into services it could give to farmers, not fancy offices for the MIAP Board and it's staff. I still can't believe such waste! (Former MIAP Farmer #2, Personal Communication, 2001)

The building at 286 Smith Street was purchased in 1990 for approximately \$1.4 million with further monies spend on renovating the building which reportedly cost in excess of \$100,000 (Van Hussen, 2002; Miller, 2002; Bear, 2002). Van Hussen argues that this development was indicative of the many conflict of interest problems that plagued MIAP, particularly when one realizes that the entire MARA budget was less than \$3 million in 1988/89. Reasons given for purchasing the building range from "to give status to MARA" (Former MIAP Farmer #2, Personal Communication, 2001) and "to showcase the egos of the MARA management" (Van Hussen, 2003). Van Hussen (2002) also states in relation to the building purchase that,

It's purchase was against everything that the program was designed to do. The offices of CEO Ralph Schmidt, and Ed Anderson, who had total control of budgets, expenses, per diems and travel expenses, would have been like board rooms to anyone else. They had solid teak doors installed during the renovations and the building, itself, was also three times more room than the program needed.... sure they were able to get some money for renting out the unused parts of the building, but ultimately, the purchase took money away from other budgets, like land development, land improvements, and training, which the producers desperately needed. The purchase did not take into account the needs of the producers which is what the program was supposed to be designed to do.... The building was a conflict of interest designed to make Schmidt and Anderson look important.

Other comments regarding the conflict of interest issue ranged from perceived suspicion to blunt indictments of MIAP and Indian Affairs. As some respondents stated:

Personal interest...outdid their [the Board] responsibility to the farmers and ranchers of Manitoba. (Robert Bone, from the CBC I-Team Report, 1993)

It was the responsibility of Indian Affairs to make sure the program was running as it should. there were no checks and balances and little accountability to make sure the Board was using funds responsibly. They were all crooks, including Indian Affairs.... and I was left with a foreclosed farm and nothing to show for all my efforts. (Former MIAP Farmer #2, Personal Communication, 2001)

These guys on the Board were log-rolling [i.e. the phenomenon of "I'll scratch your back if you scratch mine"] because they all knew each other and they had all been on the board for such a long time. (Former MIAP Farmer #1, Personal Communication, 2001)

The board was skimming money and hiding money from the audit. the original MIAP concept was ruined when control was given to MARA... It allowed for a lot of corruption (Miller, Personal Communication, 2002)

There was no election process among the MIAP Board.... The structure was not accountable or transparent. There was a lack of strong governance. The government [INAC] lost control of the Board of Directors who felt accountable only to themselves and not the Minister [of INAC].... Investments were made that were not in the interest of farmers and the government allowed it to happen. (Bear, Personal Communication, 2002).

It is evident that there were numerous charges of Board corruption due to a lack of accountability, mirroring the present Worldcom, Arthur Anderson and Enron scandals. Conflict of interest and lack of accountability by both the MARA Board and Indian Affairs are felt, by many, to be the main MIAP weaknesses and the chief culprits in the demise of MIAP (Larry Amos, 2001, Miller, 2002; Van Hussen, 2002; Bear, 2002).

In addition, major problems arose simply due to the fact that MARA never developed a proper database. Numerous charges by a variety of program evaluation studies (see Intergroup, 1983; Treasury Board, 1984; DPA Group, 1990 and Fossay and Cassie, 1993) maintained that data was often inconsistent, unrealistic and unreliable due to the quality, design and incomplete coverage of MIAP clients. In fact, the creation of a data base was suggested as early as 1983 (in the Intergroup evaluation) when it stated that;

MIAP must emplace systems to assure the ready and routine availability of program performance and activity data. This includes up to date financial and management data on clients, data pertaining to training needs and training taken, summaries of farm status and advisor activities and summary evaluations of client status. (Intergroup, 1983; 167).

The same charge was made seven years later by the DPA Group (1993). In that time, MIAP/MARA had still not constructed a sufficient database. The DPA Group (1993; 5.16) insisting that:

The program must establish a system to monitor clients results - production, income and productivity over time... a client database is essential... MIAP cannot know what it is accomplishing without data on client performance.

Furthermore, the DPA Group (1990) felt that MIAP's Board needed to have more

emphasis on policy, planning and monitoring and less on operations and dealing with individual clients. The DPA Group (1990: 5.10) stated that:

The Board of directors has not been involved in monitoring the results of each years activities. Much of their time has been occupied by dealings with individual clients and little in policy and planning.... The Board does not themselves evaluate the program's progress toward its objectives... In our opinion, the Board of Directors should set policy and review policy regularly, setting priorities for the future and monitor the results of past plans on the production, income and productivity of client farmers.

To conclude, it is quite evident that a number of weaknesses existed in MARA/MIAP. The organization failed in attracting a significant number of First Nation people to farming (due to a reduction or elimination of special incentives and the resentment of MIAP by some Band and Tribal councils); neglected to promote First Nation participation in advisory services (due to monies being diverted to other programs, lack of assistance in alternative agricultural production and the problematic organization of advisory services); failed to secure significant land resources (due to Indian Act constraints which created credit difficulties, a lack of land use policies on reserves, and the failure to increase average farm size and crop yields); did not establish viable farms due to capital and credit weaknesses (such as the credit and finance problems, unmet service goals, contribution and credit limits, and the significant drop in funding over the life of MIAP); and failed in its corporate management and organizational duties (namely in MARA's dual role as a venture capital and farmer support organization, the general organization of the MARA, MIAP, MIADCo and FNV Boards, Board conflict of interest and representation, and lack of a properly developed database). All of these weaknesses may have contributed to MARA's/MIAP's demise in 1993.

The following section will attempt to highlight the reasons for MIAP's termination, keeping in mind the myriad of weaknesses already mentioned.

The End of MIAP: Reasons

MIAP operations were slowly wound down and finally discontinued in 1993. Aside from the difficulties and problems mentioned in the previous section, Romanow, Bear and Associates (2000) and Wotherspoon and Satzewich (1993) contend that MIAP was discontinued due to a change in government policy. It was pointed out that the federal government was phasing out such

programs as core funding was reallocated to support the Canadian Aboriginal Economic Development Strategy (CAEDS), highlighting a shift in Department priorities away from sectorial based programming (Romanow, Bear and Associates, 2000).

CAEDS, developed in 1989, provided for the reorganizing of existing federal government initiatives, and the development of a number of new initiatives in the area of Aboriginal economic development (Wotherspoon and Satzewich, 1993). This new program appears to have been rooted, in part, in the recommendations of the 1985 Neilsen Task Force on Improved Program Delivery for Aboriginal People (Neilsen, 1985). In its review, the Task Force recommended that greater effort be placed on the coordination of program delivery and the elimination of program and administration duplication. It also recommended that the Department of Industry, Science and Technology should assume primary control over Aboriginal economic development programs, with the Department of Indian Affairs and Northern Development and Canada Employment and Immigration assuming subsidiary responsibilities. As a result of these changes, DIAND was responsible to administer only one program, the Community Economic Planning and Development program, as well as being involved in two other programs (Research and Advocacy and Access to Resources) to be jointly administered by the three departments. This shift in government policy is often touted as the principal reason for the discontinuation of MIAP since CAEDS was status-blind to the extent that Metis, Inuit and non-status Indians were also eligible for funding (along with Status Indians) (Wotherspoon and Satzewich, 1993). It is felt by Wotherspoon and Satzewich (1993: 260) that a status blind program "appears to have been intended to undermine status Indians' claim for special status." As a result, the lumping together of Metis, Inuit and Status and non-Status Indians into one program could have been seen (by Status Indians) as an attempt to negate their special citizenship status (Wotherspoon and Satzewich, 1993). In addition, it also means that each Aboriginal group must compete for funds, since all are eligible for CAEDS funding. Could MIAP have lost out to competing funding with either a Metis, Inuit or non-Status group?

There is no proof that MIAP was terminated due to competition over funding with some other Aboriginal entity, and Van Hussen (2002), Miller (2002) and Bear (2002) agree that MIAP was not terminated due to a competition over funding with other Aboriginal groups. As well, it is very difficult to make such an accusation due to the fact that Indian Affairs (who represents Status Indians) was represented within the program in a number of CAEDS administrative departments

mentioned above. This certainly gives the impression that Status Indians were well represented in CAEDS.

However, it can be stated that the business proposal requirements in CAEDS, which were to be evaluated on the basis of potential profitability and likelihood of long-term economic success, may have had the affect of terminating MIAP, insofar as MIAP may not have been viewed as a potential profitable entity with chances for long-term success. If the profit motive was paramount to funding decisions under CAEDS, then unprofitable programs like MIAP may have been viewed as not in the best interests of CAEDS. As a result, CAEDS may have indirectly undermined the continuation of programs like MIAP.

Again, Van Hussen (2002), Miller (2002) and Bear (2002) disagree, stating that though CEADS may have had an impact on how MIAP was viewed by government, there were other more important reasons (other than CAEDS) for the demise of MIAP (which will be discussed later).

Beside the possible shift in government policy, there are a number of other potential reasons for the ending of MIAP. For instance, MIAP's demise may have stemmed from MARA's unrealistic, sanguine service goals and objectives. As mentioned by the DPA Group Inc. (1993) and MARA (1990) (and illustrated in Exhibits IV-3, 1V-5 and 1V-6), the objectives appear to have been overly-optimistic. In fact, few of the stated objectives were reached; and, in some cases, the results were far from stellar. In fact, as early as 1983, Intergroup (1983: 167) suggested that;

In light of the current state of program performance as measured against objectives and in light of the current economic climate, some re-alignment of objectives may be necessary. In particular, it may be appropriate to scale down objectives regarding new farms and land development if MIAP is to survive.

Perhaps, DIAND simply decided to pull the plug on what they viewed as a money and policy losing program. Or, the government may have thought that a new program administered and funded through a new department (through CAEDS) might be more successful than the DIAND funded MIAP (though to this day, no new First Nation agricultural program had replaced MIAP). Regardless, MIAP's and later MARA's lofty service objectives may have given the government reason to be wary of continuing such a program due to its perceived continued failures to reach stated goals. If Intergroup's (1983) statement regarding "the re-alignment of objectives" had been heeded, perhaps the government would have looked favourably on such a program that was

reaching most of its goals and may have forced the government to continue the program.

Of course, it could be argued, as Driben and Trudeau (1983) have done, that the target objectives important to DIAND were not the target objectives MIAP was concerned with. In other words, Driben and Trudeau (1993) contend that the definition of "success" by government agencies (such as DIAND) in the area of economic development differs from that of Aboriginal peoples and the marketplace. For government officials, Driben and Trudeau (1983) assert that success is defined in terms of the number of people who are processed through a particular program or initiative. Profitability is the main criterion of success for the market; while for Aboriginal communities, the main criterion of success is the establishment of an economic base of long-term employability and viability. Thus, the emphasis of government created programs, such as MIAP, and the stated goals of MARA, had been on short-term job creation projects (usually a five year mandate) that have little long-term employment potential or economic viability. According to Driben and Trudeau, officials who administer these projects can, however, claim to have realized their own bureaucratically defined goals if there is a high output of participants from a particular program, or if a large number of individuals are provided funding. As a result of MIAP having a low output of participants, and a small number of individuals provided funding, the justification for continuing the program did not exist. Such thinking is supported by the DPA Group (1990: 6-11) in its discussion of the need for MIAP to make realistic assessments of its production and marketing goals for MIAP farmers when it stated that:

... more explicit definitions of viable farm units should be developed to recognize the reality of off-farm work. Some Indian leaders and farmers may interpret a viable farm unit differently from the program. These different definitions need to be considered when measuring results.

In addition, the Special Committee on Indian self-government argued as early as 1983 that economic development initiatives had been largely unsuccessful largely because of the hesitance of government officials to spend government funds on what were often viewed as "risky projects" for which the government would have been accountable (Government of Canada, 1983). It has already been indicated in Chapter Five that funds to MIAP had dropped significantly over time. Perhaps DIAND viewed MIAP as a risky venture and was hesitant to spend the necessary public funding (which they would be accountable for) to make the program work. As a result, MIAP was

discontinued.

Such explanations, according to Wotherspoon and Satzewich (1993: 253):

tend to overly personalize the failures of economic development initiatives, and to be overly conspiratorial in their interpretation of the activities of Indian Affairs officials. The failures of state policies are explained in terms of the personal inadequacies and insecurities of government bureaucrats. While some officials working within DIAND may be incompetent, these explanations abstract the activities of the state and state officials out of existing political-economic relations. It assumes that department officials act as independent agents, uninfluenced by other social forces.

Other reasons involve the fact that there was evidence that the relationship between DIAND and MIAP was beginning to show signs of strain as early as 1982 (InterGroup, 1983). The majority of this opinion was based on MIAP's difficulty with reaching its program mandate goals and objectives and with the MIAP Board's dissatisfaction with only a one year extended mandate (after 1985). However, one informant mentioned that DIAND appeared to be very uneasy by 1983 with the autonomy that MIAP was beginning to enjoy (Farmer #3, personal Communication, 2001). Furthermore, in 1990, the DPA Group Inc. devoted an entire section to MIAP relations with DIAND stating that they were "aware of apparently poor relationships between MIAP/MIADCo and DIAND" (DPA Group Inc. 1990: 5.5.7). The report does not provide any reasons for the conflict but does say that "whatever the reasons for the conflicts, the potential long term success of the remodeled organization will not be enhanced if these relationships are not improved" (DPA Group Inc. 1990: 5.5.7). Perhaps MIAP was discontinued simply due to this "poor relationship" (DPA Group Inc. 1990: 5.5.7). However, it is difficult to imagine that an entire program was discontinued solely because of interpersonal dynamics between a government agency and one of its programs, especially since DIAND had one of its officials sitting on the Board.

Similarly, the general failures of Aboriginal economic development, as suggested by Frideres (1988), Ponting and Gibbins (1980), and Aubrey (1990) could have something to do with the demise of MIAP. They argue that there exists a subtle process of subterfuge within the bureaucracy. They suggest that instead of being the result of bad planning on the part of government officials, failures of economic development (such as MIAP) may actually reflect the "good planning" of the middle ranks of DIAND and other government departments (Frideres, 1988). They indicate that there are both manifest (publicly stated aims of policies and programs)

and latent (unstated and hidden aims of policies and programs) functions associated with government policies and programs (Ponting and Gibbins, 1980).

Wotherspoon and Satzewich (1993) argue that in social and economic spheres, there is frequently a contradiction between the manifest and latent functions of government programs, policies and initiatives. Ponting and Gibbins (1980) contend that one of the unstated aims of midlevel officials working in DIAND is to maintain the client status of Aboriginal people as a dependent population. Frideres (1988), Ponting and Gibbins (1980), Aubrey (1990) and Wotherspoon and Satzewich (1993) argue that if economic development programs are to help First Nation people become less dependent on government programs, then those officials have essentially worked themselves out of a job. They contend that consciously or unconsciously, government officials stonewall and sabotage such initiatives in order to protect their own interests. This conflict of interest explanation was also shared by Georges Erasmus, past leader of the Assembly of First Nations (in Aubrey, 1990). He inferred that without the poverty of Aboriginal peoples, there would be no need for Indian Affairs officials, whose job it is to improve the socioeconomic conditions of First Nation people (Wotherspoon and Satzewich, 1993). In 1990, Erasmus argued that:

You're talking about bureaucracy - you don't have to know Indians there, all they know is how to be managers - and asking them to work themselves out of a job. (Erasmus, In Aubrey, 1990: 45)

The issue of conflict of interest is further supported by Kalt (in Wien, 1997) in his explanation of the problems experienced by Aboriginal people in the United States which mirrors what has been stated by Frideres (1988), Ponting and Gibbins (1980), Aubrey (1990), Wotherspoon and Satzewich (1993) and Erasmus concerning the Indian Affairs Department in Canada. Kalt explains that:

Our Bureau of Indian Affairs... faces a severe conflict of interest. The fate of the Bureau of Indian Affairs rises and falls with the fate of Indian country. The higher the employment rate, the worse the poverty, the better off is the Bureau of Indian Affairs, its budget rises, its staff rises, its power rises. The individuals who work for our Bureau of Indian Affairs are in general perfectly fine individuals but they work within a system that creates a tremendous conflict of interest in which it is not in the interests of the Bureau to spur economic development and reduce dependence on reservations. And in case after case, we find the Bureau standing as an impediment to economic development (Kalt, in Wien, 1997: 17)

Frideres (1988:413) further contends that the “biggest impediment [to self-determination and economic development] has always been the policies of the federal and provincial governments” with DIAND officials being defined as the primary malefactors. If one follows this argument, then perhaps DIAND officials sabotaged any real effort to improve First Nations farmers in order to maintain their own positions. Conceivably, the accomplishments of MIAP and its increasing independence were viewed by DIAND officials as too much of a threat to their jobs. Perhaps that was the reason for the conflict between MIAP and DIAND officials mentioned in the DPA Group Inc. (1990) report. Though there is little evidence to support such a thought, there is an inference to this in both the InterGroup (1983) and the DPA Group Inc. (1990) reports. For example, the DPA Group (1990) felt that encouraging the sharing of common functions through the existence of a single Board between MARA, MIAP, MIADCo and FNV (instead of each entity having its own Board) would enhance the relationship with DIAND, stating that:

Excessive organizational splitting and separation of functions will probably create (or perpetuate) rivalries with DIAND due to reduced internal communications efficiency and the possibility of overlap and duplication. (DPA Group, 1990: 5.22).

However, the argument that Indian Affairs allowed failure in the program in order for officials to keep themselves in work can be challenged in a number of ways. Firstly, Indian Affairs contributions to MIAP dropped over the life of the program. The DPA Group (1990) stated that in 1988 approximately 83% of MIAP's income came from Indian Affairs while in 1990, this figure drops to 66% with other government programs and departments (such as Special ARDA, the Native Economic Development Program (NEDP), and the Indian Business Development Program (IBDP) - all programs administered by the Department of Industry, Science and Technology) picking up the slack due to the reorganization under CAEDS. Therefore, within CAEDS, DIAND involvement in the program was dropping significantly over the last years of MIAP. During the same time, less than 2% of the workers within DIAND had been involuntarily laid off (and most of that was due to the federal Progressive Conservative government commitment to downsizing DIAND), with most positions being phased out through early retirement, hiring freezes and voluntary transfers (Department of Indian Affairs, 1990). Similarly a very small fraction of the total work force of

DIAND was faced with the immediate prospect of joblessness if MIAP failed. Purposely having the program fail would not impact INAC as their functions were already being reduced within the CAEDS scenario and the INAC work force was not in any danger of being phased out because of MIAP. Of course it could be argued that INAC officials were sabotaging the program in order to discredit other departments (and get some of the program back into their hands). However, it still remains that it is unlikely that many government officials would work themselves out of a job because of unsuccessful economic development projects such as MIAP.

Wotherspoon and Satzewich (1993) also offer another alternative opinion to INAC officials purposely sabotaging the program in order to keep their jobs by stating that, while it is true that many economic development initiatives (such as MIAP) had failed over the years to improve the conditions of Aboriginal people, there were also some successes. Therefore:

...in the context of a mixture of failures and some successes of economic development initiatives, the manifest and latent function argument does not specify the conditions under which state officials sabotage economic development programs in order to protect their own interests and the conditions under which they allow those programs to succeed. presumably, if Indian Affairs officials have consciously intervened in particular ways to sabotage economic development, then it must be the case that when initiatives succeed, officials must have either failed to intervene to sabotage them, or they intervened to allow them to succeed. If one of the main latent interests of Indian Affairs officials is to keep themselves in work, then the model has some difficulty in explaining the success stories associated with economic development. (Wotherspoon and Satzewich, 1993: 253).

Furthermore, as explained earlier by Wotherspoon and Satzewich (1993) such an explanation tends to overly personalize the failures of economic development initiatives, and such an interpretation may be overly conspiratorial. To explain the failures of government programs on the personal inadequacies and insecurities of Indian Affairs officials abstracts the activities of Department officials as if they were autonomous intermediaries, uninfluenced by other political or social pressures.

Therefore, in light of the existing explanations of the demise of MIAP and the critical comments, we must turn to a few alternative conceptualizations of why MIAP failed to continue. The next section offers some other possible explanations as to the reasons for MIAP's demise.

Other Explanations: Modernization, Internal Colonialism & Political Economy

Even though it is readily understood that as a group Aboriginal peoples occupy disadvantaged positions within the social, economic and political relationships in Canada, there is little agreement as to why there are such inequalities between Aboriginal and non-Aboriginal people (Wotherspoon & Satzewich, 1993). This section offers three different explanations for the inequities of Aboriginal social, economic and political relations within Canada, which can help to further explain why MIAP ended as a program to help First Nation agriculture. While there is an emergent literature rooted in the tradition of political economy (Abele & Stasiulis, 1989), the Modernization (referred to as the "Chicago School" or "micro models" in Wotherspoon & Satzewich, 1993: 1; and Frideres, 1988), and the Internal Colonial model have dominated existing economic, political and sociological analysis of Aboriginal people (Frideres, 1988).

The Modernization or Chicago school of thought examines the social and economic consequences of assimilation (or lack of assimilation). This school of thought suggests that:

European and Aboriginal cultures are completely dissimilar, and the unwillingness and/or inability to assimilate on the part of the latter is the cause of various problems such as poverty, job segregation, and low levels of upward occupation mobility and educational achievement (Wotherspoon & Satzewich, 1993: 3).

Nagler (1975) argues that Aboriginal peoples in Canada possess a specific cultural complex that is quite different from that of non-Aboriginals which creates a culture of poverty. In other words, Aboriginal and non-Aboriginal peoples are two relatively homogeneous groups whose cultures are incompatible and this incompatibility is the cause of various social, economic and political problems for Aboriginal peoples. For instance, Nagler (1975) suggests that Aboriginal people have a present rather than future time orientation; they value free mutual aid without the expectation of return; they do not place a high value on possession of wealth or material goods; they do not save for the future; they have a different conception of time and do not live according to "clock time"; they do not have an appreciation of the monetary value of time; they do not have a work ethic, which means that "a large segment of the Indian population refuse or find themselves unable to partake in full time economic pursuits" (Nagler, 1972: 131); and they do not place the same value on education as do non-Aboriginals (Wotherspoon & Satzewich, 1993). Therefore, the application of the modernization arguments to the case of MIAP and First Nations agriculture in general, suggest that

cultural differences cause difficulties in maintaining a viable First Nations agricultural sector, and may explain, for some, why MIAP was doomed to fail. For example, proponents of this theory may simply explain that the failure of MIAP was due to cultural differences and the associated beliefs, attitudes and values (such as they are collective rather than individually oriented) that Aboriginal people supposedly possess. Followers of this theory may feel that *blaming the victim* for the demise of MIAP is legitimate as the Chicago theory does just that by saying that Aboriginal cultures are unwilling or unable to assimilate, and as a result they occupy low levels of education and employment. It is not too much of a stretch to expect that proponents of the Chicago theory feel that these cultural differences are the cause of MIAP's failures because Aboriginal people are unwilling to adopt Western methods of organization (based on individualism) and the work ethics required to run a program or even a farm.

Explanations of Aboriginal peoples' positions in Canada stemming from the modernization school have been challenged by social scientists, and there are several conceptual problems with this school of thought. For example, Mason (1986) and Yancy, Erikson and Juliana (1976) suggests, on empirical and theoretical grounds, that culture is not something primordial which exists abstractly and transhistorically. Rather it is rooted in a range of material circumstances and is situationally determined. As Wien (1986) and Wotherspoon & Satzewich (1993) put forth, the values and beliefs that appear to be the cause of unemployment, low incomes, and high rates of job turnover may actually be the consequences of a rational assessment by Aboriginal people of their chances within the context of limited opportunities. Nagler inadvertently offers proof to this point in an interview he conducted with an Aboriginal person who worked for a time in a southern community, but whose home was in an isolated reserve in northern Canada. The interviewee stated that:

I wanted to buy a car there but it is even hard to walk on the road sometimes at home. I really do not know why people want lots of money. At home, we have what we want but we work and if I have a radio or T.V., it is no good because you can't hear it up there (Nagler, 1975: 19).

Nagler interprets this response as indicating that Aboriginal culture teaches people not to value wealth and consumer goods, which in turn leads to a lack of motivation to work hard. However, Wotherspoon and Satzewich (1993: 5) offer a very different interpretation by stating that:

The lack of value placed on the possession of an automobile has largely to do with the practicalities of driving in a community that does not have good roads. Furthermore, not wanting a radio or television also seems to be logical when reception is poor.

Instead of being a primordial culture trait, as Nagler (1975) suggests, perhaps it is, as Wotherspoon and Satzewich (1993) argue, an Aboriginal rational reaction to their own own circumstances.

Such problems with the modernization arguments led in the 1970s to the development of an alternative conceptualization, the internal colonial model. The internal colonial model has become increasingly popular in the explanation of the position of Aboriginal peoples in Canada, and may help in exploring the problems and eventual demise of MIAP. Traditionally, the concept of colonialism referred to unequal and exploitative relations by a dominant "mother country" over an external "subject country or colony" (Blauner, 1969). Blauner (1969) argues that colonial relationships also exist between different geographical units and can be found within a singular political unit. Thus, the term *internal colonialism* refers to those situations where Europeans have settled in new lands and have established European institutions that subjugates both indigenous and non-indigenous groups. Proponents of internal colonialism as an explicit alternative to Modernization, Chicago School, or "micro" models include Kellough (1980), Watkins (1982), Boldt (1982), Brady (1984) and Frideres (1988).

To sum up internal colonialism, Frideres (1988) argues that while the motives for colonization may have been religious, economic, and political, the rewards of colonization are primarily economic. In other words, non-Aboriginal Canada has gained far more than it has lost in colonizing its Indigenous peoples by the establishment of systems of external political control and Aboriginal economic dependence.

In relation to economic dependence, the reserve system is regarded by Frideres (1988) as a geographical hinterland for non-Aboriginal exploitation. Reserves, therefore, have become internal colonies that are exploited by non-Aboriginal Canadians. These colonizers manipulate the non-renewable resources of First Nation lands and the labour power of First Nations workers, who work at unskilled jobs in seasonal industries controlled by non-Aboriginals. As a result, economic dependence is fostered by draining resources from Aboriginal communities while provisions of the Indian Act (which limit First Nation peoples access to credit by prohibiting the placement of reserve property as collateral for bank loans), and the Department of Indian and Northern Affairs (DIAND)

are the main vehicles by which external political control has been advanced which further deters the development of free enterprise among First Nation communities. The process of external political control and resulting Aboriginal economic dependence is illustrated by Frideres (1988: 5) who shows that, "until 1940, Indian Affairs decided which Aboriginal people could and couldn't leave reserve lands." Additionally, Whiteside (1972) states, that until recently, band funds could not be used by Aboriginal people to develop social and political organizations of their own and that Band Councils have no real power and are subject to acceptance or rejection by DIAND which can veto any Band Council decision. As well, section 35 of the Indian Act explicitly states that reserve land can be expropriated by the federal government at any time (and has been implemented many times over the past century) and DIAND can even suspend almost any right set forth in the Act itself (Frideres, 1988). Therefore, the interrelated processes of external political control and Aboriginal economic dependence are well represented in the internal colonial model.

This model, since it is a macro model, links Aboriginal peoples' experiences to larger structural processes occurring within Canadian society, as well as recognizing the existence of power differentials between Aboriginal and non-Aboriginal peoples. In relation to MIAP, colonization helps explain the process, motives, techniques and practices of the state in terms of program and policy development and the role the state has played in shaping Aboriginal agriculture. Perhaps the weaknesses of MIAP were simply due to this power differential between First Nations and non-First Nations (as explained in Chapter Two).

However, Wotherspoon & Satzewich (1993: 10) have difficulty with the internal colonial model. Though they acknowledge that internal colonization has occurred, they feel that this model is:

silent on the form of social and economic organization which characterizes white society, and whether this social and economic organization has had a formative impact on Aboriginal peoples' lives.

Instead, Wotherspoon and Satzewich (1993) feel that it was a European society characterized by a particular mode of production which has caused differential relationships and unequal access to the means of production. Furthermore, they feel that though the state has been accorded a prominent role in shaping Aboriginal peoples' lives, little attempt has been made by the internal colonial model to theorize the nature of that role. In other words, Wotherspoon and Satzewich (1993) question the

ability of both the modernization or internal colonial models to understand the central role of the state and both fail to grasp the wider social and economic sources of oppression of Aboriginal peoples. Instead, the political economy approach is felt to help explain these deficiencies in modernization and internal colonialism.

Marchak (1985) states that Indigenous people and their institutions have been highly marginalized or destroyed through wider processes of dependency and development through state and global formations and the institution of capitalism. As a result, political economy is concerned with the struggles for subsistence and survival under changing material circumstances within the capitalist state. Presented in these terms, a political economy analysis of Canada's Aboriginal peoples is organized around the theme of domination over and resistance by Aboriginal peoples within the processes of social and economic production and reproduction and "transformation of Aboriginal life through the introduction and extension of capitalism throughout Canada and beyond" (Wotherspoon & Satzewich, 1993: 14). In political economy, the state plays a dominant role in regulating Aboriginal life and is concerned with the ways in which those state policies and actions have served to manage Aboriginal peoples and in determining Aboriginal/non-Aboriginal relations. In other words, the analysis of Aboriginal political economy traditions constitutes "the study of the effect on the indigenous population of the development of its territory into a majority European-settler state under liberal-democratic government and capitalism" (Asch, 1985; 152). Aboriginal underdevelopment and dependency is, therefore, due to state capitalist colonization, expansion and development.

In terms of agriculture (see Chapter Two) it is evident that the state was instrumental in fostering First Nations agricultural underdevelopment through the Treaties, the Indian Act, and state agricultural policies. The treaties, according to Wotherspoon & Satzewich (1993), were a method of land conveyance. They were designed to transfer land from First Nations to government and then settler control. "The treaties were a part of state strategy to clear away political-legal obstacles to the development of capitalism in Canada" (Wotherspoon & Satzewich, 1993: 41). It can be argued within the contexts of political economy that the treaties marked the beginnings of capital accumulation by the state which was eventually transferred to subsequent private control. The configuration of Indian administration in Canada through the Indian Act also defined what could be constituted as legitimate economic activity for Aboriginal people through the yeoman farmer beliefs

and the approved system of farming policy (Carter, 1989). Furthermore, First Nations' relationship to the state has been one of domination and subordination through policies which were more concerned with social, economic and political control than the representation of their interests at the cabinet level (Wotherspoon & Satzewich, 1993). Finally, Wotherspoon & Satzewich (1993: 41) insist that "there is a contradiction between the representation and control of each of its client groups, and there is a contradiction between servicing the concerns of each of these groups."

MIAP can be seen as an extension of this thought as the policies that directly or indirectly intrude on Aboriginal agriculture reflect the outcomes of complex struggles and contradictions within DIAND and state policy. In other words, state policy and capitalist development in agriculture have had many distinct consequences for Aboriginal people (as we shall see in the next chapter) and these policies and practices within the capitalist Canadian state are based on relations of dominance and subordination.

Conclusion

It is difficult to conclude that only one reason encompassed the entire fate of MIAP. However, taken together, many of these reasons seem to provide rationale for the fate of MIAP. With MIAP unable to meet its objectives, with the uneasy relationship and conflict of what constituted success between DIAND and MIAP officials, with serious accusations of Board ethical misconduct and problematic organization between MARA and its subsidiaries, and with the dramatic changes in government policy through CAEDS, a program such as MIAP was most likely viewed as unnecessary and inconsequential. For such a program to continue in such a climate would have been difficult, if not impossible to achieve. However, one must not lose sight of the 'big picture' insofar as government/MIAP relations in a political economy context, may have directly or indirectly caused the demise of MIAP. Though, in some ways, the program appears to have failed due to its own incompetence and ingrained weaknesses as described earlier in the chapter, failure may have been inherent simply due to state policy and capitalist development insofar as the failures of First Nation agriculture reflect the outcomes of complex struggles and contradictions within DIAND and state policy.

The following chapter discusses the present state of First Nations agriculture in order to show that the situation post-MIAP has not improved and that the sometimes contradictory state

agricultural programs and policies (as described in the political economy theory) instituted to help First Nations farmers has actually made the situation worse since MIAP.

Chapter Six

The Aftermath: In The Shadow of MIAP

Contemporary First Nations Agriculture: Post MIAP

There is very little literature on the present state of Aboriginal agriculture in Manitoba. The only real studies devoted entirely to contemporary Aboriginal agriculture are by Romanow, Bear & Associates (2000) and the Manitoba First Nations Agricultural Survey (1999). However, the general condition and overall statistics of individual First Nation producers can be made from these sources in order to illustrate the general condition of contemporary First Nations farming. Other material on Manitoba farming in general can also be gleaned from Manitoba Agriculture (1999) and Statistics Canada (1996). From these sources, comparisons between First Nation farm producers and Manitoba farm operators can be made.

Contemporary First Nation farmers face considerable challenges in an industry which historically has stacked the rules against equal participation. Past government policies have led to significant barriers for First Nation farmers and the negative impacts can be seen today. Globalization, liberalization of trade barriers between countries, reduced Canadian farm subsidies, economies of scale, increasing farm sizes, technology, the requirement for a high level of agricultural knowledge and skills, and the agricultural industry being dominated by a few major corporations has streamlined farm operations across Canada with significant efficiency gains through technological progress (Manitoba Agriculture, 1999; Agriculture Canada (c), 2001). This has made start-up of new farm operations increasingly difficult for Aboriginal and non-Aboriginal farmers alike. First Nation farmers also face a number of exclusive factors affecting their effectiveness in the agricultural industry, including historical issues (see Chapter Two), Indian Act limitations that restrict commercial lenders from taking security on the reserves, lack of culturally appropriate support services and limited access to capital (Romanow, bear & Associates, 2000).

Such factors are making it more difficult than ever to develop successful commercial livestock, grain or forage operations. these trends severely limit the ability of individual First Nation producers to compete in the world market. particularly since historical disadvantages have limited their ability to achieve economies of scale (Romanow, Bear & Associates, 2000).

In addition, the skills required to operate a farm have changed drastically over the past ten

years (Romanow, bear & Associates, 2000). No longer are common sense and hard work enough to succeed in agriculture. One must have an in-depth knowledge of chemicals, fertilizers, livestock medicines, feed ration formulas, crop varieties and a significant ability in business management to be successful (Manitoba Agriculture, 1999; Romanow, Bear & Associates, 2000).

The first immediate observation from the First Nations Agricultural Survey (1999) is that First Nations producers are categorically undercapitalized. This is true even when one considers that the average farm operator would include land base as capital, while on the reserve, the collective status of the land makes this identification impossible. As a result, according to the First Nations Agricultural Survey (1999), there are only 120 First Nation farmers today in Manitoba (compared to 122 at the end of MIAP). This compares to 21,071 non-Aboriginal Manitoba farmers according to Statistics Canada (1996)

Secondly, the First Nations Agricultural Survey (1999) highlights the gross income and farm size discrepancies between First Nation and non-First Nation producers. On the whole, Manitoba First Nations farming operations tend to be small-scale compared to the average Manitoba farm size. For example, average farm size of First Nation producers is 15% less than the average Manitoba farm operator (First Nations Agricultural Survey, 1999). Currently, there are 107,930 acres being used for agricultural purposes by First Nations farmers (First Nations Agricultural Survey, 1999), a drop of almost 9000 acres if one compares the 1991 MIAP figure of 116,791 acres (Fossay and Cassie, 1993). In addition, the average farm receipts for First Nation producers are five times smaller than the average Manitoba farm operator (see Exhibit 9) (Romanow, Bear & Associates, 2000). The majority of First Nation farmers had an annual gross sales of \$23,215, down from \$29,361 in 1991 (near the end of the MIAP period), and significantly below the 1996 Manitoba average of \$121,809 (Statistics Canada, 1996). Furthermore, the average farm capital for First Nation producers is \$401,019 less than Manitoba farm operators (\$518,213 vs. \$117,194, see Exhibit 10). In addition, from Exhibit 10, it can be seen that 87% of First Nations producers supplemented their agricultural income with other non-agricultural work, suggesting that only 13% of First Nation farmers were viable and that agriculture was not capable of sustaining the majority of First Nations farmers (particularly when compared to the 69% of Manitoba farmers who did not engage in non-agricultural related work). As a result from these figures, it is easy to conclude that the situation of First Nation farming has not improved since the demise of MIAP and

certainly has not improved when compared to non-Aboriginal agriculture. The First Nations Agricultural Survey (1999) also declares that the main reasons for the significantly smaller average farm receipts and average farm sizes include an overall lack of capital and inadequate training and education with respect to modern agricultural technologies, all of which were components of the MIAP program.

One of the most obvious contemporary problems with First Nation agriculture is the limited land base. First Nations communities hold a limited amount of land and only a portion of this is suitable for agriculture (Romanow, Bear & Associates, 2000). Moreover, not all land that is suitable for agriculture on the reserve is used for agriculture. Increasing pressure from high population growth rates have led to significant decrease in the per capita ratios that were allotted during the treaty process. The potential to expand First Nations farms off the reserve is limited by the fact that there are currently few vacant crown lands to lease and purchasing off-reserve farm land is costly (Romanow, Bear & Associates, 2000).

Exhibit 10
Comparison between First Nations Farm Operators and Manitoba Farm Operators

Item	Manitoba Farm Operators	First Nations Farm Operators
Average Farm Size	784 acres	689 acres
Total gross farm receipts	\$121, 809	\$23,215
Total farm capital	\$518,213	\$117, 194

Source: First Nations Agricultural Survey, 1999; Romanow, Bear and Associates, 2000

Furthermore, according to the First Nations Agricultural Survey (1999), 76.1% of First Nation farmers stated they thought there are extensive barriers to farming with 88.6% declaring that access to capital was one of the largest barriers, 62.9% indicated that the availability of land was a significant barrier, and finally, 28.6% indicated that a lack of training and knowledge as an important barrier. In addition, only 43.5% of First Nation farmers had participated in agricultural workshops, and of those that participated, all had done so during the time MIAP was in operation. It is interesting to note that two of the above identified barriers (access to capital and lack of training and knowledge) were areas that MIAP had some reasonable success. As a result, it could be

concluded that the demise of MIAP has not improved the present situation of the Manitoba First Nation farmer.

Exhibit 11
1999 Comparisons between First Nation Producers and Manitoba Farm Operators

Item	Manitoba Farm Operators	First Nation Producers
Operating Arrangements:		
-Sole proprietorship	62.9%	95%
Size of Farm:		
- Average farm acres	784 acres	689 acres on-reserve
Farm Type:		
- Cattle	31.0%	60.9%
Total gross farm receipts:		
- Average farm receipt	\$121 ,809	\$23,215
Total farm capital:		
- Average farm capital	\$518,213	\$117, 194
Paid work not agricultural related:		
-yes	32.1%	87% -
-no	67.9%	13% -

Source: The Manitoba First Nations Agricultural Producers Survey - 1999

Therefore, it is evident that existing First Nation farmers face difficulties with lack of capital, lack of land, inadequate information and technical assistance, inadequate education and training and problems with land tenure and land use. In addition, a comparison between the Manitoba First Nations Agricultural producers Survey (1999) and the agricultural survey results from Statistics Canada (1996) reveal a sharp contrast between the Aboriginal and non-Aboriginal producers in Manitoba. Despite these problems, there are a number of government agricultural policies and programs designed to assist First nation farmers. The effectiveness of these programs and policies are examined in the following section.

Current Government Agricultural Programs & Policies

Currently, government policy has made little attempt to create an overall agricultural policy

within its Economic Development Program (EDP) (INAC, 2002). Agriculture falls into the general economic development program indirectly such as in access to capital programs and market access programs (INAC, 2002). There is presently, no specific agricultural program within EDP like there is for forestry, in the First Nations Forestry Program (FNFP). Most impacts on First Nation agriculture fall into general programs designed for non-Aboriginal Canadian farmers, some of which are open to First Nation farmers.

Currently, the Government of Canada and the Province of Manitoba agricultural policies are directly affected by international trade agreements and globalization with respect to world markets (Romanow, Bear & Associates, 2000). As a result, anyone who is engaged in any agricultural activity will be directly affected, including First Nation farmers. NAFTA (North American Free Trade Agreement), effective since 1994, liberalized trade among North American nations. The general Agreement on Tariffs and Trade (GATT) within the World Trade Organization (WTO) provides the basic rules governing international trade among the most important economies of the world, one of them being Canada (Agriculture Canada (b), 2001). Agricultural trade was given special rules under GATT, such as the reduction (or elimination) of tariffs, export subsidies, import quotas, and domestic support measures (Agriculture Canada (c), 2001). In other words, under GATT, protective tariffs are, in effect, discriminatory taxes against the goods of foreign firms. These tariffs (or taxes) make it difficult and often impossible for foreign producers to compete in domestic markets with Canadian firms. Under the new Agricultural agreement, countries such as Canada must reduce such discriminatory taxes and subsidies. Canada is currently in the process of implementing its commitments to GATT by eliminating export subsidies and domestic agricultural support such as the Crow freight subsidy in 1995 (Agriculture Canada (c), 2001; Wilson, 2002). According to Moore (2002) and MRAC (2002), the Canadian government cannot easily implement new income subsidies for farmers within the confines of international agreements such as safety nets during times of economic crisis, and income and price stabilization plans because of GATT. Local markets cannot be protected to ensure that prices remain high. Instead, prices are determined by international markets and Canadian farmers are discovering that they must be able to compete with farmers around the world if they want to stay in business. It is because of this reason according to Moore (2002) and Statistics Canada (1996), that the population of Canadian grain growers has plummeted from 133,226 farmers in 1990 to 97,230 farmers today.

Furthermore, international pressures have changed the way that farms operate. Small family farm operations are now the exception, rather than the rule (Statistics Canada, 1996; Romanow, Bear & Associates, 2000). Instead, farms must consolidate and operate growing acreage's in order to achieve the economies of scale necessary to remain competitive. Technological innovations are also important for improving overall efficiency. For example, modern farms are now using computer-generated analysis to determine specific weed and pest problems and to develop customized herbicide/pesticide prescriptions (Statistics Canada, 1996). In fact, computers can be found everywhere on modern farm operations (Romanow, Bear & Associates, 2000).

Currently, there is a wide range of government programs available across Canada, designed to assist the modern farmer without jeopardizing Canada's participation in international trade agreements such as NAFTA and GATT (Agriculture Canada (b), 2001). For instance, the Canada/Manitoba framework Agreement on Agricultural safety Nets ensures that Manitoba farmers have access to a safety net during times of crisis, within the confines of the international agreements (Agriculture Canada (a), 2001). In 1997/88 both the federal and provincial governments spent a total of \$150 million on safety net programs. Of the total amount spent by governments on safety nets in Manitoba, 60% (\$90 million) is derived from federal sources, while 40% (\$60 million) is derived from provincial sources (Romanow, Bear and Associates, 2000). There are three core elements for safety net programming in Manitoba, including crop insurance, whole income protection (Net Income Stabilization Account - NISA), and companion programs such as Waterfowl and Wildlife Crop Damage Compensation and the Agri-Food Research and Development Initiative, to name a few (Agriculture Canada (a), 2001). Though specific figures illustrating whether and to what extent First Nation farmers were able to access the safety net programs are unavailable, Romanow, Bear and Associates (2000: 55) state that "it is evident that a very small percentage of First Nation farmers accessed any of the safety net programs." More recently, the Manitoba Rural Adaptation Council (MRAC) launched a \$20 million Canadian Adaptation and Rural Development (CARD) Program in 1998 which is designed to

help rural Manitobans adapt to the changing agricultural landscape - by providing technologies that will allow producers and agri-business to diversify production and expand value-added processing (MRAC, 1998:1).

Its primary mandate is to encourage industry adaptation to the changes resulting from new international trade agreements and catalyze response to the ever-expanding demands of global markets (MRAC, 1998). All sectors of the agriculture and agri-food industry are eligible to apply for funding to the new program - including institutions, organizations, agri-business, commodity groups, and private individuals (and presumably First Nations organizations and individuals, though nowhere does it mention First Nations farmers). Funding for the MRAC program is provided by the Government of Canada under the research and development section of the Canada Agri Infrastructure Program (CAIP). To date, MRAC has contracted 106 projects for a total of almost \$5 million under CARD. However, by 2002, none of the monies had gone toward First Nation farmers or invested in First Nation agricultural concerns.

Programs more specific to First Nations people include Aboriginal Capital Corporations and the First Nations Farm Credit Corporation. Commercial loans available through these programs typically range from \$25,000 - \$50,000. Interest rates offered by these institutions were roughly 50% higher (with 1999/2000 figures quoted as being between twelve and thirteen percent) than those offered by conventional financing (i.e. commercial banks, credit unions etc.) in order to offset the increased risk attached to servicing underdeveloped First Nations populations (Romanow, Bear and Associates, 2000; Amos, 2001; MRAC, 2002).

Government policy in agriculture exists not only in the form of income support policies. Government non-income support programs are also available (though not specific) to First Nation farmers to ensure a wide range of tools are available to assist farmers in a competitive marketplace. Examples of such programs include farm outreach, various training and workshops, and research and information dissemination. In addition, First Nation farmers are encouraged to join non-Aboriginal farmers associations such as the Keystone Agricultural Producers (KAP), the Manitoba Cattle Producers, Manitoba Pork Producers Association who serve to lobby for their interests to government (Agriculture Canada (a), 2001; Romanow, Bear and Associates, 2000). As well, The Manitoba First Nations Elk and Bison Council has been established to assist First Nations farmers who want to get involved in the elk and bison industry (MRAC, 2002).

However, one program presently exists which promises to help change one of the most obvious constraints facing First Nations farmers; a limited land base. The following section discusses the Treaty land Entitlement program, a program designed to allocate land to eligible First

Nations based on treaty promises.

Treaty Land Entitlements

Treaty land Entitlement refers to land owed to certain First Nations under the terms of treaties signed by the First Nations and Canada between 1871 and 1910. Each treaty provided that reserves would be established for First Nations based on their populations (Symbion Consultants, 1995; INAC, 1997). However, not all First Nations received their full allocation of land (Symbion Consultants, 1995; Symbion Consultants, 1996; INAC, 1997; Romanow, Bear & Associates, 2000). Under the Manitoba Treaty land Entitlement (TLE) Framework Agreement negotiations, Canada and Manitoba propose to address the issue of outstanding TLE by providing for a combination of land and cash.

By 1995, seven First Nations signed individual TLE settlements involving 155,690 acres of land. In addition to land, three southern First Nations (Long Plain, Swan lake, and Roseau River First Nations), who are located in prime agricultural zones in Manitoba were provided with a total of \$39,000,000 to purchase up to 55,690 acres of land (INAC, 1997). By 1997, 19 more Manitoba First Nations signed a Framework Agreement for TLE with 1.1 million acres of land and \$76 million to purchase up to 114,676 additional acres of land (Symbion Consultants, 1996; Romanow, Bear & Associates, 2000). By 1999, only Swan Lake First Nation had purchased agricultural lands while the others were only beginning their land selection process (Romanow, Bear & Associates, 2000).

Of the total 1.27 million TLE acreage, it is estimated that approximately 100,000 acres will have conventional agricultural potential (Symbion Consultants, 1996). According to Symbion Consultants (1996), an investment of \$10 million into agriculture from TLE funds would result in 120 to 125 new farms being added to First Nation communities. As a result, this is one government program which shows some promise for First Nations agriculture.

Implications of Government Policies: Why Have They Failed?

First Nations agriculture in general, as seen in the context of government policy, can be viewed as an adjunct to existing explanations for the general failure of Aboriginal economic

development. Despite the impressive collection of programs, initiatives and resources conducted through economic development for the last twenty years, there is little consensus as to the impact of these programs on First Nations people. Governments, while admitting that some money has been misspent over the years claim that economic development has generally achieved positive results (Government of Canada, 1989; Aubrey, 1990; Wotherspoon & Satzewich, 1993). In fact, in its summary of the history of the economic development initiatives, including CAEDS, the government suggested that "the results from economic development efforts to date, taken as a whole, have been most encouraging" (Government of Canada, 1989: 19). Furthermore, the 1988/89 Annual Report outlines its significant achievements, and states that the sector supported, among other things;

funding for 380 advisors in 200 bands and 55 tribal and sectorial development corporations to assist hundreds of Indian Businesses, and thousands of self-employed farmers, fishermen, trappers, outfitters, and arts and crafts producers; provision of work experience for 1,500 Indians in community enterprises, and another 2,700 on housing construction and maintenance projects...; the drilling of 44 wells on 12 reserves; 39 of these were completed: eight were for heavy oil, three for conventional oil and 28 for gas (Department of Indian and Northern Affairs, 1989; 12)

However, Aboriginal peoples as well as a number of academics have come to considerably different conclusions about the effectiveness of economic development expenditures over the years. Lafond (in Department of Indian and Northern Affairs, 1986: 3) states that "while Indian economic development has received much attention over the years, it has been given the status of low man on the totem pole amongst the Department's (DIAND's) array of programs to assist Indian people."

Wotherspoon and Satzewich (1993: 249) further contend that:

Agreements signed between 1974 and 1989 by the federal Department of Regional Industrial Expansion and provincial governments in Manitoba, Saskatchewan, and Alberta demonstrate that economic development initiatives have been uncategorical failures.

In addition, Comeau & Santin (1990: 69) show that unpublished reports prepared for the government provide a serious condemnation of past economic development initiatives and that

the programs failed to improve conditions. Millions of dollars were spent on capital improvements, including housing, recreation centres, telephone systems and roads, but there was no attempt to establish a local economy which would in turn lead to

the residents to some level of economic independence.

Comeau & Santin (1990: 72) go on to demonstrate that in the case of expenditures of \$200 million spent in Manitoba between 1982 and 1989, the only thing that was changed was that "more native residents were collecting welfare." Loughren (1996) details this point by showing that in 1986, reserve residents derived only 56% of their income from sources other than government payments which compares to a figure of 88% of income from sources other than government payments for organized communities (areas governed under the Municipal Act). In addition, Loughran (1996) states that median household income at this time was \$29,000 for Manitoba as a whole while on reserves it was just \$18,500. Likewise, per capita income was \$11,900 for organized communities, while on reserves it was a dismal \$3,600. Furthermore, Loughran (1996: 208) states in his analysis of Aboriginal economic development programs such as Special ARDA and NEDP that:

Program self-awareness appears to have been focused on the generation of proposals, and the ability to respond positively to large numbers of inadequately prepared clients and proposals. There were no inquiries into medium or long-term effectiveness or impacts of the programs. There was no apparent internal generation of predictive algorithms based on operational experience of these or complementary government programs. Intra- and intergovernmental program coordination was poor. Interactions among programs, especially involving programs of different departments and agencies, tended to force each program to give more positive responses and to make additional expenditures. As well, programs often worked at cross purposes.

Loughran further illustrates in his analysis of economic development project outcomes, that:

of all financed projects, 20% had never, or ceased to operate within three years of first receipt of case program financing. Another 17% were not profitable. Only 21% of all financed projects... were profitable...(Loughran, 1996: 413).

The effectiveness and consequence of such figures is explained by Driben and Trudeau (1983), in their study of Aboriginal economic development initiatives in Ontario. In a submission which could very well be describing the MIAP program, Driben and Trudeau (1983: 51) state:

When we looked at the new businesses, we found that none had succeeded. Nor did it seem likely that any of them would, and this was disheartening to everyone concerned, not just because DIAND had spent well over 1.5 million dollars to establish the businesses, but also things actually looked quite promising from the

start.

In regards to agriculture, it has been shown that First Nation agriculture, despite government programs and policies, face a number of exclusive factors affecting their effectiveness in the agricultural industry, particularly when compared to Manitoba farmers. As a result, the array of programs, expenditures and policies appear to have achieved little in the way of positive results for First Nation farmers. The question to ask, at this point, however, is why have state programs and expenditures failed to accomplish economic development for First Nation agriculture?

The large gap between contemporary First Nations and non-First Nations farmers highlights a serious need for action on the part of policy makers. However, according to the Manitoba First Nations Agricultural producers Survey (1999), First Nation farmers do not feel that they have the support of politicians at the community, provincial or federal levels. This is compounded by the fact that most federal and provincial farm policies are not tailored specifically to First Nations needs.

This point can be illustrated when one looks at the Canada/Manitoba framework Agreement on Agricultural safety Nets. While these programs provide adequate safety net measures to guard against farm income fluctuations resulting from crop failure, production problems, and world market volatility, none of these programs specifically addresses the predicament of First Nations farmers. Very few other existing programs address the issues of lack of land, lack of capital, inadequate technical assistance (including education and training), and the problems of land tenure and use (which were all objectives of MIAP). Of those programs and services designed specifically for First Nation farmers, there appear to be some major flaws.

For example, though current provincial agricultural representatives, as well as other provincial programs and services, are available to both non-Aboriginal and Aboriginal farmers, usage rates by Aboriginal people tend to be quite low (Romanow, Bear & Associates, 2000). According to Romanow, Bear and Associates (2000), the Manitoba First Nations Agricultural Producers Survey (1999), and Van Hussen (2002) most provincial services and programs are unevenly offered to First Nations. Information on available services and programs is not always available to First Nation farmers, as advertisements are placed in rural non-Aboriginal newspapers and agricultural seminars and workshops are rarely held in First Nation communities. Many Provincial Agriculture representatives also do not service on-reserve farmers and their office

locations are not always convenient. As well, First Nation farmers do not always feel comfortable accessing these provincial services due to systemic barriers such as language and culture (Romanow, Bear and Associates, 2000). Furthermore, First Nation farmers do not have an organization that organizes and coordinates their lobby efforts and policy development activities to support their role in the industry, and most First Nation farmers do not get involved in producer organizations (like KAP). As a result, they miss out on networking, lobbying, policy development and information sharing opportunities with other farmers (Manitoba First Nations Agricultural Producers Survey, 1999; Romanow, Bear and Associates, 2000). Despite the fact that First Nations farmers may be considered too few in numbers to warrant a First Nations organization, the First Nations Agricultural Survey (1999: 9) did state that “most respondents would welcome and utilize such an organization if one were formed.”

In addition, most other programs devised for Aboriginal economic development are not necessarily devised solely for the agricultural sector. For instance, Aboriginal Capital Corporations, while important in financing general Aboriginal business development (and beneficial to the extent that decisions for funding of economic development initiatives become disentangled from the state due to the fact that capital Corporations are Aboriginal owned and controlled, essentially depoliticizing the decisions surrounding financial support for economic development initiatives), are not designed solely for Agricultural development (First Nations Information Project, 2001). Instead, they are designed to provide business services and support to all Aboriginal people, including Status, non-Status, Inuit and Metis individuals, associations, partnerships or other legal entities which are wholly or partly owned or controlled by Aboriginal people, on or off-reserve (First Nations Information Project, 2001). Services may vary, but capital corporations generally offer loan guarantees, operating loans and some technical and advisory services. However, there is no specific agricultural component (i.e. technical or advisory services pertaining to agriculture) for Status Indians within the Aboriginal Capital Corporation organization (First Nations Information Project, 2001).

In addition, the government does not include funding to Tribal Wi-Chi-Way-Win Capital Corporation to cover the administration costs and or loan losses. Furthermore, the First Nations Farm Credit Inc. (FNFC), which hitherto has served as a loan agent for First Nations farmers, has not focused on establishing a loan guarantee program which could guarantee a significant

percentage of a loan to support First Nations farm activity (Romanow, bear & Associates, 2000).

It has been stated by Romanow, Bear & Associates (2000), that First Nations farmers would like to be able to access financing for expansion (land, animals, capital, etc.) at interest rates

Exhibit 12:
Commercial Financial Institutions used by Farmers, 1999.

Financial Institution	Number of Farmers
Credit Union	9
Equipment Dealers	8
Aboriginal Capital Corporation	7
Farm Credit Corporation	3
Commercial Bank	2
Other Creditors	2
No Financing Received	17
Total	48

Source: First Nations Agricultural Survey, 1999 (figures only include a sample of existing First Nations farmers)

that are competitive. Due to the unique status of reserve land and its inability to serve as security for a conventional bank loan, already undercapitalized First Nations farmers face considerable difficulty in accessing loans to expand their operations to achieve necessary economies of scale. This fact can be shown in the First Nations Agricultural Survey (1999), which states that 58.7 percent of First Nations farmers have not received commercial financing (see Exhibit 11). Responding and acknowledging to this difficulty, the federal government and has set up the special loan funds through the Aboriginal Capital Corporations (explained earlier), to be utilized by on-reserve populations (First Nations Information Project, 2001). However, there is a major flaw in this program. The Aboriginal loan funds have been set up to charge punitively high rates of interest in order to offset the increased risk attached to servicing underdeveloped First Nation populations. Yet, First Nations people are least able to afford interest rates that are more than fifty percent higher than those offered by conventional financing (Romanow, Bear & Associates, 2000). For non-Aboriginal farmers facing interest rates between five and nine percent (as they had to do during the 1999-2000

period), staying afloat is a challenge (Romanow, Bear & Associates, 2000). For First Nations farmers who must pay interest rates of twelve to Fifteen percent (during the same period), the challenge is more significant (Romanow, Bear & Associates, 2000). This may explain why, according to the First Nations Agricultural Survey (1999), that so few First Nations farmers have actually used Aboriginal Capital Corporations when compared to other commercial financial institutions and fewer have received any commercial financing (see Exhibit 11).

In addition, the total amount of capital available to First Nations farmers is felt to be insufficient to establish a commercially viable farm (First Nations Agricultural Producers Survey, 1999). First Nations farmers find it difficult to access commercial loans that range from \$25,000 to \$50,000, and where they do receive such funding, the amount is deemed inadequate to achieve the required economies of scale necessary for commercial production and the establishment of viable farms (Romanow, Bear and Associates, 2000).

Furthermore, International pressures, as discussed earlier in the chapter, have had a huge impact on First Nations agriculture since most First Nation farms are small, family operated, and technologically inefficient (First Nations Agricultural Producers Survey, 1999; Romanow, Bear and Associates, 2000). This means that most First Nations farmers are not only unable to compete with non-First Nation Canadian farmers, but are unable to compete in the international arena as well.

As a result, it can be seen that present government policies, programs, expenditures and services do not adequately address the needs of contemporary First Nations farmers. However, other than TLE, very few present programs will assist agriculture in First Nations communities. First Nations farmers have started from a disadvantaged position historically and have been unable to catch up with their non-Aboriginal neighbours. Since MIAP, it is evident that government policies have done little to assist contemporary First Nation farmers on the reserve and that the future of First Nation agriculture looks bleak indeed. Contemporary First Nations agriculture is still almost non-existent (as can be seen in exhibits 9 and 10) and it can be argued that the First Nations agricultural sector has actually declined since the end of MIAP according to Romanow, Bear and Associates (2000).

Having looked at the present agricultural situation of First Nations farmers, the next Chapter offers a glimpse of the possible future for First Nation agriculture. It includes a look at the strengths, weaknesses, opportunities and threats to future First Nations agriculture and the possible

policy options for the contemporary First Nation farmer. The chapter will also offer a strategic plan, envisioned by Romanow, Bear and Associates (2000) designed to help First Nation agriculture flourish in Manitoba with concluding comments from RCAP and myself.

Chapter Seven

The Future: Issues, Insights and Implications

The Future of First Nations Agriculture

There are a number of issues affecting the future of First Nations agriculture. However, it is necessary to analyze the present strengths, barriers, opportunities and threats in order to gain a more lucid picture of the future for First Nations Agriculture. A adequate understanding of the strengths of First Nation agriculture can provide First Nations decision makers with a clear path towards building attainable vision for the future. By presenting an acceptable synopsis of the present-day barriers within the sector, decision makers will be able to make a realistic assessment of the strategies required for future growth and development. In order for strategic planning to be successful, all barriers and weaknesses within the sector must be accounted for so that they might be overcome. Not only is an assessment of present day strengths across the sector integral in strategic planning, a complete understanding of the developing opportunities can provide policy makers with a richer contextual understanding not only of the way things are, but also of how they may be in the future. For First Nations to develop strategically, they must be aware of all the possibilities and potential opportunities that do exist and can be exploited. In addition, it is important to be aware of the potential threats to development which may hamper even the most ambitious plans.

Excluding issues such as weather fluctuations and natural disasters (which affect all farmers in Manitoba), First Nation farmers have many serious barriers and threats that are preventing them from achieving parity with non-Aboriginal farmers. Likewise, there exist a number of strengths which offer opportunities for First Nation farmers. From these strengths and opportunities (as well as the barriers and threats), the future of First Nation agriculture can be examined. The following section highlights the various strengths, barriers, opportunities and threats to agriculture development for First Nations culled from my own thoughts and analysis and that from Romanow, Bear and Associates' (2000) Manitoba First Nations Agricultural Analysis (1999) undertaken in 1998.

Strengths

There are a number of strengths in current First Nations agriculture which can be built upon and expanded for the future. These include such things as the experience and successes of MIAP, which provided a number of talented First Nations individuals committed to the agricultural sector; the First Nations Elk and Bison Council, which can be used as a model for producers and would-be producers; the treaties, which can provide a strong argument for targeting government support; and the TLE process, which can provide the financial resources for buying good quality agricultural lands.

Most important of these strengths is the experiences and successes of MIAP which both offers lessons for future First Nations agriculture and can serve as a platform for further agricultural development. MIAP also provided a number of individuals with the training needed to be agricultural producers. Many of these individuals are still working in the agricultural sector and their experiences can help would-be producers attain success in the agricultural sector. It is evident from Chapter Four, that MIAP provided a number of benefits for First Nations farmers, and thus provides a blueprint for further agricultural policies. The weaknesses in the program highlighted in Chapter Five, give future policy makers an indication of what will work and what will not work, and what must be done to alleviate the difficulties the former program ran up against.

In addition, Romanow, Bear & Associates (2000: 50) feel that there are strengths inherent in the present First Nations Elk and Bison Council, stating that the:

First Nations Elk and Bison Council serves as an excellent model for producers and would-be producers to get together and work cooperatively to develop and support a new commodity. This model could be used for other commodities, for example, herbal medicines.

Many of these naturally available products (such as herbs and medicines, among others) could be used as a potential cash crop, particularly in northern regions where traditional agricultural pursuits are limited. Organizations based on such a model would provide much needed technical and financial assistance where opportunities exist and would enable First Nation people to establish joint venture arrangements with both non-Aboriginal and First Nation communities interested in such ventures (MRAC, 2002).

Romanow, Bear & Associates (2000: 50) further contend that strength can be found in the

treaties stating that:

the recent Marshall decision in the East Coast Fishery provided strong support for the promises made in the treaties to ensure First Nations people have access to resources. In the Prairies, the Treaties set up First Nations people to be farmers and offered them certain supports. there may be a strong argument for targeting government support to assist First Nations farmers so that they can be on equal grounds as their non-Aboriginal counterparts.

The Supreme Court of Canada released its decision regarding the Marshall case in the fall of 1999 (Fisheries and Oceans, Canada, 2002). In essence, the court said that Treaties signed in 1760 and 1761 by Mi'Kmaq and Maliseet communities include a communal right to hunt, fish and gather in pursuit of a moderate livelihood. Furthermore Fisheries and Oceans, Canada (2002: 1) stated:

As part of its response, DFO [Department of Fisheries and Oceans] is negotiating agreements of one to three years in length, to provide First Nations with increased commercial fisheries access, along with vessels, gear, training and other capacity building measures. For some First Nations this means initiatives such as aquaculture projects; for others it means equipment or facilities related to the commercial fishery.

In this regard, it is felt that the government could set out to negotiate interim agricultural agreements based on the numbered treaties signed on the prairies (similar to the DFO response) that would give First Nations the opportunity to succeed in commercial agriculture.

As well, economic opportunities exist in livestock production, particularly since current beef prices are very lucrative (Manitoba Agriculture, 1999). Since there is limited First Nations land suitable for cultivation, MRAC, (2002) feels that a greater proportion of the land base is better suited for livestock production. In addition, according to farm subsidies data compiled by Mussell and Ross (2001) from agricultural subsidies collected in Solomon, Lawrence and Zippin (2000), livestock enterprises have lower subsidy ratios. This suggests that there exists less farm income risk in those types of farms. This gives further credence to the thought that Aboriginal farms would enjoy better economic opportunities in livestock production rather than the riskier alternative of grain crop farming.

In addition, because of the TLE process, First Nations have a potential land base from which to develop a larger agricultural sector (Symbion Consultants, 1995). Southern TLE bands now have

the financial resources required to purchase good quality agricultural lands adjacent to their communities. The difficulties of securing an adequate land base may be alleviated in the future thanks to TLE (Symbion Consultants, 1996). This, in turn, can allow First Nation individuals to fully utilize their agricultural potential and could attract more First Nation individuals into the agricultural sector.

Wotherspoon and Satzewich (1993) also feel that the establishment of First Nation controlled capital corporations (such as Tribal Wi-Chi-Way-Win in Manitoba) may be beneficial to the extent that decisions for funding of economic development initiatives will become disentangled from the state. This has the potential of depoliticizing the decisions surrounding financial support for economic development initiatives such as First Nation agriculture. It also helps to create a level playing field within an arena that has been characterized as anything but level (Wotherspoon and Satzewich, 1993). Of course, the problems with borrowing through such entities (as explained in Chapter Six) will have to be addressed to make capital corporations useful to First Nation people, but nevertheless, the potential to help First Nation agriculture does exist in such corporate entities.

Barriers

First Nation farmers do face considerable challenges in an industry which historically had stacked the rules against equal participation. Past government policies have led to significant barriers for First Nations farmers and the negative impacts can be seen today. Furthermore, globalization has streamlined farm operations across Canada with efficiency gains through technological progress and the consolidation of farm operations. This has made start-up of new farm operations increasingly difficult for non-Aboriginal farmers as well as First Nation farmers.

Furthermore, Romanow, Bear & Associates (2000) have stated many other limitations or weaknesses that First Nation farmers and potential First Nation farmers face in terms of developing an agricultural sector. These include, difficulties in current government policies, including the CAEDS (INAC, 2002); difficulties with Band policies towards the agricultural sector; difficulties with acquiring credit; and, the problems associated with the demise of MIAP.

One of the biggest barriers to First Nation agriculture is the current government policies which make it almost impossible for reserve agriculture to succeed. As already pointed out, there are currently few programs that address the problems of lack of capital and the need for technical

expertise required for modern day agriculture. Since the termination of MIAP, First Nations farmers have had difficulty acquiring credit, a practice which has relegated individual farming endeavors on reserves to mostly small-scale, low technology operations. Technology transfer to potential, and existing First Nations farmers, has been too slow for them to stay abreast of the market pressures from consolidation and the "corporatization" of the agricultural industry. Without access to these new efficiency gains, it is impossible for First Nations farmers to compete. In addition, there are few sources of information and resources targeting First Nations farmers on escalating niche market opportunities within the agricultural industry, including technological innovations and farm management, and alternative agricultural products.

Current Aboriginal economic development programs are also very limited for First Nation farmers to receive support to establish successful commercially viable farming operations. This is due to strict criteria being placed on job creation, incentive limits per applicant, equity and commercial financing requirements (First Nations Agricultural Survey, 1999; Romanow, Bear & Associates, 2000). First Nations training and employment programs do not place agricultural type training as a high priority area and currently, First Nations farmers are reluctant to utilize the training and extension services offered by the Province of Manitoba due to there being few (if any) culturally appropriate provisions (First Nations Agricultural Survey, 1999; Romanow, Bear & Associates, 2000).

Further barriers can be found in the CAEDS strategy itself. The requirement (by CAEDS) that business proposals be evaluated on the basis of potential profitability and likelihood of long-term economic success may, according to Wotherspoon & Satzewich (1993: 260) "have the effect of sharpening class divisions within Aboriginal communities." If the profit motive is to be the principal requirement to funding decisions, Aboriginal businesses, like their non-Aboriginal counterparts, will be under pressure to keep the wages of its work force low and resist efforts to unionize workers which runs counter to the Aboriginal working class who hold to the improvement of wages and working conditions within First Nation owned enterprises as paramount issues (Daniels, 1986). The emphasis on profitability for reserve agriculture also runs counter to the idea of finding alternative agricultural production (discussed in Chapter Five), which is often not viewed as being potentially profitable (Fossie & Cassie, 1993). This requirement of CAEDS is particularly problematic for northern reserves who do not have an obvious agricultural profit potential in

traditional agricultural activities such as cattle, grain, forage or swine.

Also, the emphasis (by CAEDS) on the development of joint ventures with non-Aboriginal businesses could have contradictory outcomes. The stated aim of joint ventures is to help facilitate the transfer of management, technical, and business skills from non-Aboriginal to Aboriginal peoples. Wotherspoon and Satzewich (1993: 260) have stated that:

given that private corporations have one aim (profitability), and given that business decisions are made on the maximization of profit, control over these investments may ultimately lie with the non-Aboriginal decision makers.

Further to the CAEDS strategy, Wien (1997) feels that present programs within CAEDS ignore the importance of economic scale which was also clearly made in the Royal Commission's study of natural resource sectors (RCAP (b), 1996). RCAP(b) (1996) recognized that important gains that had been made when economic development activities were organized around a nation or group of communities, as opposed to an individual community (as CAEDS does). Wien (1997: 20) states that "a project that is not viable if carried out by an individual community may well be viable if carried out by a grouping of communities organized into a nation." For example, individual communities may not be able to support a specialist in agriculture by themselves, but such scarce and expensive human resources may well be fully occupied if they are employed at the nation level. Wien (1997: 20), when discussing the important gains that had been made in institutional development when sector-specific and often province-wide technical support program such as when MIAP existed (pre-CAEDS), further contends that "many of these initiatives in agriculture and other fields were undermined when funding was diverted back to individual communities, with the consequent loss of the technical expertise and support that significant projects in the natural resource field would require." In other words, Wien (1997) and RCAP (b) (1996), seem to imply that CAEDS is a major barrier due to its policy of ignoring economies of scale.

In relation to the CAEDS strategy, Wotherspoon & Satzewich (1993) feel that the federal government's decision to include Metis and non-status Indians in the terms of reference of the program (CAEDS is status-blind), could be seen as an intention to undermine status Indians' claim for status and not an affirmation of Metis and non-status Indian rights. According to Weaver (1986;18), one of the assumptions of the Neilsen Report (upon which the CAEDS strategy is

based) is that "aboriginality did not exist and should not be given validity as a basis for new Indian-government relationship." The lumping together of all Aboriginal peoples into one program area may be seen by status Indians as an attempt to negate their special citizenship status (Wotherspoon & Satzewich, 1993). As a result, First Nations governments may view CAEDS with some suspicion and consternation, which could effect any agricultural programs devised within CAEDS.

Furthermore, agriculture on reserve land, as seen by First Nation governments, is not capable of forming the basis of a stable economy due to the lack of sufficient agricultural land (Romanow, Bear & Associates, 2000). As a result, agriculture is often considered to be a low priority for First Nations leaders and government policy makers (Romanow, Bear and Associates, 2000). The lack of an appropriate land tenure policy on many reserves severely limits or prohibits development of First Nation farms. the majority of First Nation farmers find themselves out on a limb regardless of whether they hold their land by traditional rights, Band Council Resolution, Certificate of Possession or some other arrangements (Wotherspoon and Satzewich, 1993). "The collective nature of First Nation land holdings also has a dampening effect on the ability of the individual farmer to obtain an adequate land base to develop a profit-bearing operation" (Romanow, Bear & Associates, 2000: 53). In regards to this problem, Wotherspoon and Satzewich (1993) contend that some First Nations believe that profits gained through the use of such collective resources should be shared, a view which undermines the motivation of the individual farmer.

Along these lines, Wien (1997) claims that First Nations governments must develop effective institutions that are not based on the present Chief and Band system of governing. Strengthening the institutional capacity for economic development can have a positive effect on First Nations agriculture by creating a political environment that is safe, fair and secure for development that can attract confidence, commitment and investment. Wien (1997: 21) further contends that:

political leaders do have an important role to play in economic development - for example, in setting long-term goals, identifying appropriate strategic directions, and in putting in place the institutional base for economic development - but that role should stop short of interference in the day-to-day operation of businesses or economic development organizations.

Unlike the present Indian Act imposed Band system of governing, Wien is saying that institutions

need to operate at arms length from the political leadership in terms of their day-to-day operations. The First Nations Agricultural Survey (1999) states that Band interference (and indifference) is a problem on reserves, which affects the growth of agriculture in First Nations communities. If the way Bands are governed does not change, then institutional capacity for economic development will be unlikely to occur, which has dire consequences for First Nations agriculture.

Another important barrier is that First Nations farmers have little access to a lending institution with sufficient capital to compete with the non-Aboriginal agricultural sector (Romanow, Bear & Associates, 2000). There are existing First Nations producers who have been financially crippled by the demise of MIAP and MIADCo due to the deterioration of their credit ratings caused by the elimination of MIAP and MIADCo supports and the resulting hike in the interest rates on outstanding loans (First Nations Agricultural Survey, 1999). Furthermore, current Federal Government programs are unwilling to provide capital corporations like Tribal Wi Chi Way Win and the First Nations Farm Credit with the developmental capital and support for administration costs to adequately service the needs of First Nation farm clientele. Until this situation is alleviated, there will remain a strong barrier to First Nations access to credit and to the development of strong, viable First Nation farms.

It could also be mentioned that the difficulties encountered by the termination of MIAP, have left a sour taste in the mouths of many present day First Nation farmers. A number of farmers according to the First Nations Agricultural Producers Survey (1999) and the former MIAP farmers who were interviewed for this study, are wary of any new government sponsored programs:

which may leave us holding onto a sizable debt with no benefits in accumulating that debt in the first place. I know many of my fellow farmers who will not trust any new programs as the last one [MIAP] really screwed us. A lot of us went through many years of hardship because of MIAP and I, personally, did not see any benefits to closing down the program. I'll tell you though, if they try and start up a new one, I will probably not get involved. (MIAP Farmer #3, Personal Communication, 2000).

This kind of thinking, though understandable, could make it difficult for any new program to be initiated, due to suspicion, uncertainty and mistrust by the present First Nation farmer populace.

A seemingly minor and often hidden barrier to First Nation agriculture, not mentioned anywhere in the literature, can be found in the recent Statistics Canada Aboriginal demographics data (Statistics Canada, 2001). According to the figures for 1995, 33% of Aboriginal people lived

on reserves compared to only 31% in 2000 (Statistics Canada, 2001). In addition, Aboriginal people in rural non-reserve areas saw a drop of almost 1% (20.5% in 1995 compared to 19.5% in 2000 or a net loss of 4,300 Aboriginal people out of a total Aboriginal population of 192,830 people who lived in these areas) in their population numbers. Conversely, 49% of the Aboriginal population (up from 47% in 1995) lived in urban areas (Statistics Canada, 2001). This 2% difference between those who live on reserves and those who live in urban areas (and the 1% drop of non-reserve rural aboriginal people who moved to urban areas), though seemingly insignificant, marks a trend that has continued since the late 1950's, when over 80% of the Aboriginal population lived in either reserve or non-reserve rural areas. The numbers suggest that the Aboriginal population available for farming is decreasing rapidly. As a result, there is a drop in the aboriginal rural population that would be most harmful to the future prospects of First Nations agriculture. If the trend (towards a continued drop in First Nations numbers in reserve and rural areas) continues, then it can be asked, "what population will provide the necessary farmers for future First Nation agriculture?" Certainly, the future of First Nations farming cannot be expected to be taken up by an urban population? Therefore, this demographic trend is not conducive to the development of First Nation agriculture and can certainly be considered a significant, if not a hidden, barrier to a viable First Nation agricultural sector.

Of course it should also be mentioned that there is a considerable under coverage in Statistics Canada Aboriginal populations figures due to incomplete enumeration on some reserves and Aboriginal settlements and the fact that some reserves did not allow enumerators into their communities. While the impact of missing data tends to be small for national-level and most provincial-level statistics, it can be significant for some smaller areas, like reserves (Statistics Canada, 2001). Nevertheless, the figures do show a marked trend towards the loss of reserve populations toward urban areas.

Finally, Romanow, Bear and Associates (2000: 52) discuss the historical development of First Nations agriculture as another important barrier by stating that:

history has shown that in farming areas in Western Canada it has taken 3 to 4 generations to develop successful viable farms with good farm managers and innovative operators. prejudicial historic policies, which decimated early First Nations agricultural attempts, have significantly reduced the number of inter-generational farming families on-reserve.

This historical development, as covered in Chapter Two and Three, was instrumental in limiting the number of First Nation farmers and as a result, there are few present day First Nation farmers who can offer their experience, knowledge and wisdom to help others who wish to take up farming. Therefore, there are few role models available to young or potential First Nation farmers. In addition, many potential First Nation farmers may be apprehensive of undertaking agriculture as a pursuit due to the historical problems experienced by many of the MIAP farmers.

Opportunities for Development

For First Nations to develop an agricultural economic sector, Romanow, Bear & Associates (2000) believe that the limited potentials that do exist must be exploited. Firstly, Romanow and Bear & Associates (2000) insist that there is an opportunity to increase the number of Manitoba First Nation farms to 276 from the approximately 120 farms today. This is based on the existing First Nations reserve land usage of 116,791 acres with a further potential of 100,000 acres of new agricultural lands under the TLE process and applying the average Manitoba farm acreage size of 784 acres. Romanow, Bear & Associates (2000) also project that the annual gross farm receipt potential for First Nation farms can be \$33.6 million (276 First Nation farm units @\$121,809 average Manitoba farm receipts). To reach this potential, Romanow, Bear & Associates (2000) state that the total average farm capital required to create and maintain 276 competitive First Nation farm units is in the range of \$144 million.

Romanow, Bear & Associates (2000) insist that other opportunities include the recent Marshall decision in the East Coast Fishery (described earlier), which may provide considerable strength to the argument for supportive government programming to jump start the historically lagging sector of agriculture on the reserve. Furthermore, Romanow, Bear & Associates (2000: 54) believe that the:

current heightened level of interest in partnership building by Government and the private sector with First Nations may provide First Nations with opportunities to develop partnerships and enter joint venture arrangements to successfully enter large scale modern agriculture.

Of course, care needs to be taken with this opportunity, as explained by Wotherspoon and

Satzewich (1993), as joint ventures may ultimately undermine self-government and may effect the autonomy of First Nations agriculture.

Finally, Romanow, Bear & Associates (2000) state that another opportunity exists in alternative agriculture such as native plants. The current interest of the general population in herbal therapies and medicines provides First Nations with an excellent opportunity to enter the industry with considerable expertise (Kiehn & Reimer, 1993; Clark, 1998). First Nations people have been collecting, preparing and using herbal remedies for many centuries and both Clark (1998) and Romanow, Bear & Associates (2000) believe there is room in the market place for the development and marketing of indigenous medicines. In addition, Nickels (2001) has stated the potential for the hydroponic growing of herbs and vegetables in remote and northern reserves, a potential which is currently being investigated. Also, based on the soil classification of reserve land found in Romanow, Bear & Associates (2000), it would appear that the land is more suitable to livestock production, particularly to developing alternative niche livestock markets such as bison and elk (Manitoba Agriculture, 1998). Both animals are indigenous to North America and are culturally connected to First Nation peoples and suitable for land on the reserve. As well, current traditional livestock (such as cattle and swine) prices are very favourable and also suitable to land on the reserve (Romanow, Bear & Associates, 2000).

An area that certainly holds promise for agricultural economic development are the recommendations of the RCAP (b) report (1996). The RCAP (b) (1996:75) makes several recommendations for First Nation agriculture, including:

2.5.14

The Government of Canada remove from Aboriginal economic development strategies such as CAEDS and related programs and limitations that impede equitable access to them by Metis farmers and Aboriginal owners of small farms generally.

2.5.15

The government of Canada restore the funding of Indian agricultural organizations and related programs and support similar organizations and services for Metis farmers.

2.5.16

Band Councils, with the support of the federal government, undertake changes in land tenure and land use so that efficient, viable reserve farms or ranches can be established.

2.5.17

The Government of Canada implement... and advance the education and training of Aboriginal people in agriculture.

The main thrust behind the RCAP report with respect to agriculture is that First Nations people have historically suffered (for reasons outlined earlier in Chapter Two) significant disadvantages in trying to set up agricultural operations. Whereas government policies for non-Aboriginal farmers were designed to be supportive, government policies for First Nation farmers has had the opposite effect. These recommendations, if advanced by the government, would go a long way to correct some of these disadvantages and offer new opportunities for First Nation farmers.

Furthermore, hopeful expectations for the future have been reinforced in the official federal government's response to RCAP (Indian and Northern Affairs Canada, 1997). The statements made in this document emphasize a vision for "strong, healthy communities and new relationships founded on mutual respect, with responsible, transparent, accountable, sustainable governance structures and institutions" (Indian and Northern Affairs Canada, 1997: 2). In order to implement this vision, the government highlights the following four strategic initiatives: (i) Renewing the partnerships; (ii) Strengthening Aboriginal Governance; (iii) Developing a New Fiscal Relationship; and (iv) Supporting Strong Communities, People and Economies (Indian and Northern Affairs Canada, 1997). Subsequent government documents, (such as the 2000-2001 report on Plans and Priorities) emphasize a similar vision (Indian and Northern Affairs Canada and Canadian Polar Commission, 2000).

Threats to Development

Historically First Nations farmers have been unable to catch up with their non-Aboriginal counterparts. Even though the treaties clearly supported farming as an economic opportunity for First Nations, government policies have been unsuccessful in their attempts to assist fledgling

farmers on the reserve. Off the reserve, however, cheap land, subsidies and other government supports have been used to help get the non-Aboriginal agriculture sector off the ground (Wien, 1986; Carter 1990; Wotherspoon and Satzewich, 1993; Royal Commission (b), 1996; Romanow, Bear & Associates, 2000).

Why does this discrepancy between Aboriginal and non-Aboriginal agriculture exist? Wotherspoon and Satzewich (1993) offer an explanation which taps perhaps the biggest threat to the economic development of Aboriginal agriculture. They contend that the general nature of Aboriginal economic development is contradictory. Wotherspoon and Satzewich (1993; 261) state that because:

First Nation people are forced to compete in the marketplace through a state which is not a neutral arbiter of the interests of competing groups, but rather a representative class rule, the character of the struggles that occur within the state is an important determinant of the success and failure of economic development initiatives.

In other words, politically, governments cannot afford to have aboriginal peoples as successful competitors to the extent that their primary support, both electoral and financial, comes from classes within the non-Aboriginal population. According to Wotherspoon and Satzewich (1993), it would be imprudent for any political party or government to support those economic activities which would put Aboriginal peoples into a position where they could compete for markets and services with non-Aboriginal-owned businesses. Romanow, Bear & Associates (2000: 54) also recognize this threat when they state that "given the current crisis state of agriculture in Manitoba, there is bound to be a negative backlash from non-Aboriginal farmers if First Nation exclusive program supports are developed." However, Romanow, Bear & Associates (2000: 54) also declare that "without some form of government policy incentives for First Nation farmers to have access to the latest technologies, the First Nations agricultural sector will not be developed."

Globalization is no doubt a major threat which will affect progress in First Nations agriculture as well. Though NAFTA has provisions for First Nations exemptions, Canada's objective (through GATT) is the elimination of export subsidies, trade-distorting and domestic agricultural support which means that domestic programs designed to help First Nations farmers is highly unlikely on the world stage. Furthermore, price, quality and ability to supply quantities on

demand determine which food-producing area in the world will export its products into the food system (Agriculture Canada (c), 2001). Canadian farmers, both First Nation and non-Aboriginal must produce a quality competitive product or suffer severe discounts. Since First Nation farmers are more vulnerable to agricultural price and marketing cycles, in comparison to non-Aboriginal farmers, due mainly to being behind in establishing their own farms as a result of the lack of longer term land security, First Nation farmers are unable to build up equity in land for debt restructuring during down cycles and may be unable to offer a competitive agricultural product.

Another threat to First Nations agriculture involves the fact that First Nations lack a collective voice to raise issues and share concerns. In the past, MIAP (despite its problems in this area) filled this role until its demise. Today, First Nations farmers feel isolated and lack an effective lobby to raise attention for their issues to government, in the media and the general public (First Nations Agricultural Producers Survey, 1999). Aboriginal organizations such as AMC or many of the Tribal Councils do not appear to be interested in taking up this role, so a lack of cooperation and partnership among First Nation farmers themselves exists at the present time according to the First Nations Agricultural Producers Survey (1999).

Finally, with the lack of success of programs like MIAP as well as the lack of success of reserve farming in general, as a means of providing either a dependable source of food, an adequate income, or a rewarding way of life for the majority of First Nations people since the signing of the treaties, a possible threat to First Nations agriculture may be that government leaders and policy makers will be reluctant to support a meaningful First Nation agricultural sector program (Romanow, Bear & Associates, 2000). According to the First Nations Agricultural Producers Survey (1999), there is concern that the problems associated with the former MIAP programs have permanently scarred First Nations farmers and prevented them from obtaining future support for legitimate concerns. The final threat to reserve agriculture could be that governments will not view agriculture as a viable economy worth pursuing. As alternatives to agriculture economic development are pursued, potential and existing First Nations farmers will be forgotten.

In analyzing the range of strengths, barriers, opportunities and threats, potential policy recommendations can be made which may help the future growth of First Nations agriculture. The following section looks at possible policy options for Manitoba's First Nation farmers.

Policy Recommendations

First Nations agriculture, since it is in a developmental stage, requires government policies and programs that will work to assist them in their development. Ideally, the ultimate goal would be that First Nation agriculture would experience parity with non-Aboriginal farmers in Manitoba. However, the current underdevelopment of First Nations agriculture requires unique policies designed specifically for First Nation circumstances. As a result of both the First Nations Agricultural Producers Survey (1999) and the agricultural workshop series policy options put forth by Romanow, Bear & Associates (2000), a number of policy recommendations were presented in the Manitoba First Nations Agriculture Strategic Plan (Strategic Plan, 2000). In addition, RCAP (b) (1996) offers a number of recommendations for First Nations agriculture (see also "Opportunities for Development" section, Chapter Six). I would also like to take this opportunity to add my own recommendations, based on the contents of the proceeding chapters.

RCAP Recommendations

The following recommendations include RCAP's general recommendations for economic development as well as its specific recommendations made about agriculture. However, since RCAP's specific comments regarding agriculture are minimal and due to the fact that agriculture is an economic pursuit, I feel that including RCAP's general comments on economic development are legitimate and useful to the discussion regarding Aboriginal agriculture. I have chosen those recommendations on economic development that have relevance to agriculture.

RCAP has suggested that the Government of Canada change aspects of its present economic development strategy for First Nations due to its "limitations that impede equitable access" (RCAP (b), 1996: 75). In other words, RCAP states that CAEDS and other related programs should remove any limitations that impede equitable access by Metis and other small Aboriginal farmers. As explained in Chapter Six, it is evident that CAEDS and other contemporary programs do not adequately address the issues of access to capital, do not offer acceptable agricultural support services to First Nation communities and, more often fail to provide sufficient government support tailor made for the specifics of First Nation farmers. In addition, present programs offer fragmented, project by project funding with few long-term development agreements which would provide funds in block form which would increase the flexibility of Aboriginal

governments and organizations in advancing agricultural economic development. RCAP (b) (1996) believes that a long-term agricultural program that addresses issues of capital, support services and First Nation specific programming as well as providing sufficient funds in a block form would alleviate the difficulties First Nation farmers face today.

**Exhibit 13:
Two Conceptions of Economic Development**

" Jobs and Income "	"Nation-Building!"
<u>Reactive</u>	<u>Proactive</u>
Responds to anyone's agenda (from the feds or off the street)	Responds to your agenda (from strategic planning for the long-term future)
Emphasizes short-term payoffs (especially jobs and income now)	Emphasizes long-term payoffs (sustained community well-being)
Emphasizes starting businesses	Emphasizes creating an environment in which businesses can last
Success is measured by economic impacts	Success is measured by social, cultural, political, <i>and</i> economic impacts
Development is mostly the tribal planner's job (planner proposes; council decides)	Development is the job of tribal and community leadership (they set vision, guidelines, policy; others implement)
Treats development as first and foremost an economic problem	Treats development as first and foremost a <i>political</i> problem
The solution is money	The solution is a sound institutional foundation, strategic I I direction. informed action I

Source: Cornell and Kalt, 1992

Furthermore both RCAP (b) (1996) and Wien (1997) believe that Aboriginal people should be able to exercise powers of self-government based on sovereignty. RCAP makes a strong argument that the appropriate unit to exercise the powers of self-government is the Aboriginal

“Nation” (i.e. culturally distinct groupings such as Cree, Micmac, Mohawk etc.), including a new relationship that would recognize their governments as a third order of government within the Canadian federation. They feel that steps need to be taken to rebuild this historically important level of organization among Aboriginal peoples. This will provide for a larger economy of scale, which has been, according to both RCAP (b) (1996) and Wien (1997), one of the major problems with economic development schemes put forth by the government in First Nation communities. As Wien (1997: 20) states, “a project that is not viable if carried out by an individual community may well be viable if carried out by a grouping of communities organized into a nation.” In terms of agriculture, an individual community may not be able to support an agricultural specialist by themselves, but implies that scarce and expensive human resources may well be engaged in a more organized and cost-effective way if they are employed at the national level which also includes research and policy units and marketing agencies.

This RCAP idea of nation-building through self-government is also supported by the findings of the *Harvard Project on American Indian Economic Development*, a research project operating under the auspices of the Kennedy School of Government at Harvard University and the Udall Centre for Public Policy at the University of Arizona, which aims to understand and foster the conditions under which sustained, self-determined social and economic development can be achieved among American Indian nations (Cornell and Kalt, 1992). The Harvard Project’s findings suggest that when tribes make their own decisions about what approaches to take and what resources to develop, they consistently out-perform non-tribal decision-makers (see Exhibit 13). Cornell and Kalt (1992: 5) state that there are two approaches to economic development (see Exhibit 12):

The first we will call the “jobs and income” approach. Tribes that work with the “jobs and income” approach begin by saying, in effect, ‘we’ve got a problem here. The problem is not enough jobs and not enough income, and the solution is to get some businesses going on the reservation.’ Often that means calling in the tribal planner and saying, “go get some business going.” The tribal planner goes off and writes some grant proposals or looks for some investors or comes up with some business idea, and everyone hopes that somehow the problem will be solved.

There’s a persuasive logic to this approach to economic development: there aren’t enough jobs on most reservations; there isn’t enough income; too many people are poor; too many people are on welfare. So jobs and income are critical.

The problem, according to Cornell and Kalt (1992) is that this approach typically doesn't work. It may produce a variety of ideas, but it seldom produces lasting businesses. Cornell and Kalt (1992: 5-6) state that the stories are familiar:

An enterprise gets started but fails to live up to its advance billing...

The tribe obtains a grant that provides start-up funding for a project, but when the grant money runs out there is no more money and the project starts downhill.

...Or an investor shows up but gets entangled in tribal politics, loses heart, and eventually disappears.

...A new business gets underway with lots of excitement and has a good first year, but then the tribal government starts siphoning off the profits to meet its payroll or some other need, as a result there is no money to fix the leaky roof or upgrade the accounting system, and soon the business is in trouble...

...the enterprise becomes primarily an employment service as people demand that it provides jobs, costs rise, it finds itself unable to compete with non-reservation businesses whose labor costs are less, it becomes another drain on the tribal treasury, two years later it folds and the jobs it provided disappear.

...the new tribal chair decides the business is a source of patronage, personnel are hired on their votes in tribal elections instead of their business skills, with each election the business gets a new manager and a new set of operating guidelines, customers get cynical, quality declines, and the business collapses.

**Exhibit 14:
Profitability of Tribal Enterprises in 18 Tribes: Independent v. Non-Tribal-Controlled Management**

	Independent	Non-Tribal Controlled
Profitable	34	20
Not Profitable	5	14
Odds of Profitability	6.8 to 1	1.4 to 1

Source: Self-reported survey of 18 tribal chairs participating in the National Executive Education Program for Native American Leadership. (Kalt, 1996)

The result is that the tribe ends up back at square one, once again asking the planner to start over and the cycle starts anew. "Eventually, both planners and council feel as if they're banging their heads against the wall" (Cornell and Kalt, 1992: 7). This pattern, though describing the

situation on U.S. reservations, has parallels to the Canadian situation and MIAP. The present Canadian policy can be portrayed as following the ‘jobs and income’ model described by Cornell and Kalt (1992: 5) which obviously has not worked according to Driben and Trudeau (1983), Comeau and Santin (1990), and Loughran (1996) (see Chapter 6). It makes one wonder if the economic development problem can be reduced to “jobs and income,” or “picking winners” as described by Wien (1997: 15; quoting Cornell and Kalt, 1992), as if the solution can be reduced to “getting some business going” or winning grants or talking an investor (or the government) into a joint venture (Cornell and Kalt, 1992: 5). Cornell and Kalt (1992), using the data collected from the Harvard Project, then suggest a new approach which supports the RCAP recommendation of increased sovereignty for First Nations through nation-building. Cornell and Kalt (1992: 7) suggest a nation-building approach, which:

...begins with the same perception - we’ve got a problem - and it recognizes that a big part of the problem is the lack of jobs and income. But it argues that solving the problem will require a solution both more ambitious and more comprehensive than trying to start businesses and other projects. The solution is to build a nation in which both businesses and humans can flourish. The “nation-building” approach says the solution is to put in place an environment in which people want to invest. They want to invest because they believe their investment has a good chance of paying off. It may produce monetary profits. It may reduce dependence on the federal government or bolster tribal sovereignty.

The nation-building approach to development, as described by Cornell and Kalt (1992: 8), does not approach the solution by stating “let’s start a business,” but instead says “let’s build an environment that encourages investors to invest, that helps businesses last, and that allows investments to flourish and pay off.” The solution lies in focusing attention on laying a sound institutional foundation, on strategic thinking and on the design and construction of nations that work. Though the ‘jobs and income’ approach can occasionally lead to some quick business start-ups and perhaps some short-term successes, it does not produce a sustainable future for the nation. A nation-building approach is no guarantee of economic success, but it vastly improves the chances that economic development will take root and be sustainable. Kalt (quoted in Wien, 1997: 17), asserts that those tribes who have succeeded economically and have enjoyed a sustained economic development are “uniformly marked by an assertion of sovereignty that pushes the Bureau of Indian Affairs into a pure advisory role rather than a decision-making role.” Cornell and Kalt

(quoted in Wien, 1997:14), add to this discussion by stating that:

political leaders are forever trying to pick winners, that is, potentially successful business ventures, rather than putting their energies into getting the institutional framework and preconditions for economic development right. For many Indian nations and their leaders, the problem of economic development has been defined as one of picking the right project. Governments often devote much of their development-related time and energy to considering whether or not to pursue specific projects: a factory, a mine, an agricultural enterprise... and so on.... Picking winners is important, but it is also rare. In fact, Indian Country is dotted with failed projects that turned sour as investors' promises evaporated, as enterprises failed to attract customers, as managers found themselves overwhelmed by market forces and political instability. In fact, many tribes pursue development backwards, concentrating first on picking the next winning project at the expense of attention to political and economic institutions and broader development strategies.... Only when sound political and economic institutions and overall development strategies are in place do projects - public or private - become sustainable.

Mirroring both RCAP (1996) and the literature from the Harvard Project, Wien (1997) concludes that political sovereignty is most important for sustainable economic development to take place. The degree to which a tribe has genuine control over its reserve decision making, the use of reserve resources, and relations with the outside world will help to determine the success of finding market opportunities, developing human capital and sustainable economic strategies. Both RCAP (1996) and Wien (1997) feel that an assertion of sovereignty will push the Department of Indian Affairs into a pure advisory role rather than a decision-making role which will allow economic development to flourish in First Nation communities.

The RCAP (1996) case studies add other dimensions to this argument. In the case of the Lac Seul case study, for example, the focus was on the lack of decision-making power over traditional lands and resources. Non-Aboriginal rules and regulations held sway and these were rooted in a world view that is quite different from Aboriginal perspectives. The result was that cultural conflict and a retreat from economic activity on the part of the local Anishinaabe people occurred due to a lack of authority in relation to their lands.

Another illustration comes from the La Loche case study (RCAP, 1996), which describes a community where the major part of economic activity is generated by the high levels of spending that are required to deal with such problems as unemployment, poverty, alcoholism and family breakdown. The community's leaders were well aware that the long-term solution was to build a self-sustaining economic base for the community and wished to divert some of the spending from

social to economic development objectives. However, they were unable to do so because virtually all the spending was controlled by individual provincial and federal departments, each with its own agenda. Coordination between the departments and between the levels of government seemed to be almost non-existent, and the idea that spending patterns would actually change to meet the long-term best interests of the community were felt to be a longshot. As a result, an ever increasing amount continued to be poured into the community, dedicated to the management or alleviation of social problems. On the other hand, if the community had more political authority and could access a pool of funds not tied to pre-existing agendas and separate departments (as Cornell and Kalt, 1992 suggest), it would be possible to envision a different agenda being realized.

For these reasons, RCAP (1996) in its recommendations supported the inherent right of Aboriginal nations to govern themselves, and the report urges federal, provincial and territorial governments to make room for an Aboriginal order of government in Canada. It is assumed that agricultural development would also improve under such Aboriginal governance of their economic development.

RCAP (b) (1996) also suggests that changes in land tenure of First Nations should be examined. It is felt that First Nation governments need to establish and implement land tenure and land use policies on the reserve to develop available natural resources and support stable long term growth in the agricultural sector (though no real solution is offered other than ownership or control over resources). Related to the issue of land tenure is the idea of expanding lands and resources (RCAP (b) (1996; Wien, 1997). It is believed that the "land and resource base of Aboriginal communities needs to be quickly expanded if more solid economic footing is to be achieved" (Wien, 1997; 22). Making full use of available economic opportunities in the agricultural sector requires that First Nations have an expanded land base. The loss of control over land and the loss of benefit from their lands has certainly crippled First Nation agriculture over the past century. One only needs to look at the exploitation of Indian lands following the Expropriation Act of 1911 (also known as the Oliver Act) where reserve land which adjoined, or was wholly or partly situated within an incorporated town or city of over 8,000 people could be taken if a judge of the Exchequer decided that it was in the best interest of the public to do so (Treaties, 1978; Titley, 1986). In addition, one could look at the 1907 experiences of Manitoba's St. Peters Band who were forced to move when their reserve was expropriated in order to provide space for the expanding town of

Selkirk (Coates & Morrison, 1986). According to Wien (1997: 23), the present "land base belonging to each reserve is typically just a few acres now, not enough to provide housing for a rapidly expanding population let alone to provide a basis for economic development." As a result, an expanded land base (possibly through the TLE process) and a land tenure system on that land base (through Band Council Resolutions) are considered priority recommendations for any First Nation agricultural initiative.

RCAP (b) (1996) also recommends the advancement of education and training as a means of assisting First Nations agriculture. The Commission's research on economic development repeatedly comes back to issues of education and training (Wien, 1997). RCAP recognizes that farming today is about business and that in order to succeed First Nation farmers need to be more than just good farmers, they must also be good business people. In order to run a successful farm, a farmer needs skills in finance, management, computers, internet, agronomy, chemistry, biology and more. In order to compete with non-Aboriginal farmers, First Nations farmers will need access to training to ensure they have the skills and adaptability to manage successful farms. Furthermore, it is difficult to envisage successfully carrying out agricultural policies "to expand employment without building closely-linked strategies for making sure that properly qualified Aboriginal persons are available to assume the new positions" (Wien, 1997: 28).

Finally, RCAP (1996) states that Aboriginal institutions, which are able to implement strategic choices effectively and develop rules and procedures that are seen to be fair for economic development, need to be created. This includes finding a way to guard against the inappropriate involvement of political leaders in the day-to-day decisions of business ventures or of economic development institutions. This does not mean that political leaders do not have important roles to play in economic development. Political leaders are felt by RCAP (1996) to play a particular part in setting long-term goals, identifying appropriate strategic directions, and in putting in place the institutional base for economic development. However, it is felt that the "role should stop short of interference in the day-to-day operation of businesses or economic development organizations" (Wien, 1997: 22). RCAP (1996) strongly supports the strengthening of the institutional capacity for economic development in Aboriginal communities and nations. Since this was one of the areas identified as being a problem for MIAP, it is felt that such institutional building would take care of one of the critical ingredients necessary to create an environment that supports agricultural

development.

Therefore, RCAP (1996) recommendations suggest that in order to assist First Nation agriculture, the Canadian government should, a) remove the restrictions in CAEDS that hinder equitable admission to agricultural prosperity; b) develop self-government in order to create conditions under which sustained, self-determined agricultural development can be achieved among First Nations; c) expand education and training as a means of assisting First Nations agriculture; and, d) strengthen the institutions required for the fair and equitable development of First Nations agriculture.

Manitoba First Nations Agricultural Strategic Plan Recommendations

Taking a more detailed look at the situation confronting First Nations agriculture, Romanow, Bear & Associates (2000) presented a number of potential policy options to First Nation farmers for thorough discussion during a series of agricultural workshops they initiated in a number of First Nation communities. From these policy recommendations, they were able to put together a final report called the Manitoba First Nations Agricultural Strategic Plan (Strategic Plan, 2000). Contained within this plan are five essential components with each designed to work in tandem with the others in a broad-based and holistic effort to “offset historically established inequities and ensure the development of a sustainable, economically sound agricultural sector for Manitoba First Nations” (Strategic Plan, 2000: 1). These five components are (see Appendix for a copy of the Manitoba First Nations Strategic Plan):

- 1) Access to capital,
- 2) First Nations Agricultural Support Services
- 3) Manitoba First Nations Farmers Association
- 4) First Nations/Federal/Provincial Government Support
- 5) Focus on Niche Markets and Strategic Planning

These five components are meant to be acted upon simultaneously and not in any specified linear order. The plan is envisioned to take up to three years to enact and that independent evaluation be conducted in year three, year five and year ten. The final outcome of the plan is

projected to provide a level playing field for First Nations and the “development of a healthy sector on the reserve” (Strategic Plan, 2000: 1). The following is a summary of the general recommendations contained in the Manitoba First Nations Agricultural Strategic Plan (Strategic Plan, 2000).

Access to Capital

Because the total amount of capital available to First Nation farmers is insufficient to establish a commercially viable farm, the establishment of a First Nations Agricultural Loan Guarantee Fund is recommended. Through a First Nations Agricultural Loan Guarantee Fund First Nation farmers would have access to conventional loans on the same terms as non-Aboriginal farmers. Since interest rates available through the First Nations Farm Credit Corporation are considerably higher than those available to non-Aboriginal farmers, such a program would ensure that First Nation farmers would have the same access and possibility to expand their operations as non-Aboriginal farmers. A Loan Guarantee Program would ensure that the limited funding that is currently available is leveraged to access up to 75% more (than the current \$25,000 - \$50,000, which is deemed inadequate to achieve the required economies of scale for agricultural production) in terms of financial resources for First Nations farmers. In addition, the Manitoba First Nations Agricultural Strategic Plan (Strategic Plan, 2000) suggests establishing a First Nations Youth Agricultural Loan Fund. The reason being that there are no resources available to young First Nations members who want to take over the family farm. A First Nations Youth Loan Fund would help those First Nations youth who are taking over family farms and to establish commercially viable farm operations. Finally, the Manitoba First Nations Agricultural Strategic Plan (Strategic Plan, 2000) recommends that First Nation farmers be offered the opportunity to restructure their existing debt using a fair, across the board formula (that would go towards restructuring existing debt).

Furthermore, it has been suggested by Manitoba First Nations Agricultural Strategic Plan (Strategic Plan, 2000) that a loan guarantee approach would better benefit First Nations farmers, who would then be able to access more competitively priced financing, as well as benefit FNFC, who would be able to extend services (in the form of loan guarantees) to a greater number of clients

than exists today.

Support Services

Because there is presently no direct information flow to First Nation farmers with respect to upcoming seminars and workshops, and because First Nation employment and training programs do not place agriculture as a priority, it is recommended that existing provincial agricultural support programs and services be provided to First Nations farmers and that the services of an agrologist be furnished through the First Nations Farm Credit Corporation. First Nations farmers would then have immediate access to the latest farming innovations and technologies and could then increase their economic contribution to the Manitoba agricultural sector.

First Nations Farmer's Association

Due to the fact that First Nations farmers are currently not involved in organizations such as the Keystone Agricultural Producers (KAP) and other producer organizations such as the Manitoba Cattle producers, Manitoba Pork Producers Association, etc. which non-Aboriginal farmers in the province are able to join, it is recommended that a First Nations Farmers Association (FNFA) be created which would participate in the non-Aboriginal producers organizations such as KAP. A First Nations Farmers Association (which is also suggested by RCAP) would serve to coordinate and organize the activities of First Nation farmers in Manitoba and foster a inclusive spirit and combat the isolation and alienation that that many First Nations farmers complained about in the First Nations Agricultural Producers Survey (1999). A distinct FNFA would lobby for the interests and concerns of historically disadvantaged First Nation farmers and would serve as a bridge between the provincial Department of Agriculture and First Nations farmers through and exchange of information and data. A FNFA participation in non-Aboriginal producers organizations would ensure that First nations farmers would have a voice in the policy making at the provincial level as well. The plan is to make the First Nations farmers Association self-supporting within three to six years by bringing in revenues through memberships and fund raising.

The impact of such a proposal is certainly not realistic if the number of First Nation farmers is too low. At the moment, the total number of First Nation farmers is unknown as Statistics Canada has not compiled such data and no other study could be located which considers First Nation

farming numbers nation-wide. Without a country-wide First Nations survey which looks at the current state of Aboriginal farming which can determine the number of First Nation farmers, evaluate the key strengths, opportunities and barriers and then direct energies to finding long-term solutions (much like Manitoba's 1999 First Nations Agricultural Producers Survey), the national picture of First Nation farming in Canada will remain unknown. Though the First Nations Agricultural Producers Survey (1999) was not concerned with a nation-wide survey (concerning itself only with Manitoba), it is not difficult to expand such a survey to include all of Canada, using the First Nations Agricultural Producers Survey (1999) as a model.

First Nations/Federal/Provincial Government Support

The Manitoba First Nations Agricultural Strategic Plan (Strategic Plan, 2000) also recommended that; the Federal Government should support First Nations agriculture by providing funds for activities such as the FNFA, the First Nations Loan Guarantee Program and the First Nations Youth Agricultural Loan Fund; The Provincial Government should establish a Protocol Agreement with Manitoba First Nations to solidify their partnership in the agricultural industry; and that First Nations governments need to establish and implement clear land tenure and land use policies on reserve (as suggested in RCAP) in order to develop available natural resources and support stable long term growth. It is felt that government support at all three levels (federal, provincial and local) is necessary in order to ensure a healthy agricultural sector both on and off of the reserve. Government support will assist farmers in their efforts to boost economic activity in the province and provide spin-off jobs both on the reserve and off the reserve. This will serve to reduce social assistance dependence and foster a new spirit of entrepreneurship and independence in First Nation communities.

Niche Markets and Strategic Development

Finally, the Manitoba First Nations Agricultural Strategic Plan (Strategic Plan, 2000) recommended that a First Nation Strategic Fund which provides both financial and technical support for farmers who want to take advantage of recognized niche market opportunities (such as native herbs or hydroponic possibilities). Other than Elk or Bison, no other support exists for First Nation farmers who are interested in niche markets. First Nation farmers need the technical and

financial assistance to enter into these emerging sectors and to explore possible new niche markets. It is believed that the establishment of agricultural enterprises that are more suited to soil classification of reserve lands and traditional activities will result in a higher degree of success for First Nation farmers. The estimated cost of such recommendations put forth by the Manitoba First Nations Agricultural Strategic Plan (Strategic Plan, 2000) come to \$6,475,000.00. However, the Strategic Plan (2000) believes that this plan can be self-supporting within three to six years.

Though I believe that the recommendations of the Manitoba First Nations Agricultural Strategic Plan (Strategic Plan, 2000) are good ones, I also feel that some basic considerations are missing. The following section contains my recommendations which I feel have not been adequately addressed by either RCAP or the Manitoba First Nations Agricultural Strategic Plan.

Personal Recommendations

Despite the fact that I agree with the RCAP recommendations, I feel that they are too general to have any detailed impact on First Nations agriculture in the near future. The Manitoba First Nations Strategic Plan recommendations must be applauded for taking many of the ideas of RCAP and creating a more detailed set of recommendations. Therefore, though I do not entirely disagree with either set of recommendations, I feel that there are some concepts which must be considered before any of the above recommendations can be implemented.

First of all, it must be explained that present economic development objectives are controlled by individual provincial and federal departments, each with its own agenda. These agendas are often counter to the wishes of First Nations goals and objectives. For instance, Driben and Trudeau (1983), Wotherspoon and Satzewich (1993) and Newhouse (2000), Kalt (in Wien, 1997) contend that the definition of success by government agencies in the area of economic development often differs from that of Aboriginal people and that of the marketplace (as explained earlier).

As a result, the emphasis on most government programs (including MIAP and CAEDS) has been on short-term job creation projects that have little long-term employment potential, or economic viability. Therefore, I feel that the Manitoba First Nations Strategic Plan, though well thought out and certainly detailed in its assessment of the needs of First Nation farmers, has a time period which I believe to be unrealistic. Once again, the timeframe is much too short. Five or even ten years is too short a time to right the wrongs that have existed for over a century. In particular, I

have disagreements with the First Nations Farmers Organization being self-sufficient within a three to six year time period. Once again, the problem arises (as it did with MIAP) that if that objectives are not achieved, the organization could be looked at as a failure and terminated.

Also of concern is that coordination between the departments and between the levels of government (particularly under CAEDS) seems to be virtually non-existent (Wien, 1997). As an example, the plethora of departments involved in Aboriginal economic development which have an impact on First Nation agriculture includes DIAND and Industry Canada for economic development, land claims and land/revenues and trusts, and DIAND and Human Resource Development for education and training (Wotherspoon & Satzewich, 1993). Having three different departments involved in various aspects of First Nations agriculture has the potential to cause duplication as well as causing a lack of coordination between government agencies which will have a negative impact on First Nation agriculture.

In addition, no agricultural program will be successful while funds for economic development are scaled back, as has been occurring for the last decade. While the amount allocated for what Wien (1997: 7) calls "social problem spending" (social assistance, health, housing, policing etc.) grew from 30 to 40 per cent of total spending in the period between 1981/82 to 1995/96, the amount allocated for economic development (which includes agricultural development) decreased from 10 per cent to 8 per cent. It appears that governments prefer to meet economic distress with income support payments rather than investing in the more difficult task of establishing long-term measures that would rebuild First Nation economies and agriculture. As Wien (1997: 8), points out, it is not in First Nations' long term best interests to build a welfare economy, and "neither is it in the interests of Canadian society generally, for the overall costs of such an economy are steep and rising, with no light at the end of the tunnel." As a result, I feel that one of the most important recommendations concerning First Nation agricultural development is to increase spending for economic development with some of those increased funds going to agricultural initiatives. Instead of just alleviating the symptoms of economic distress, an increase in funds toward long-term, First Nation driven economic development initiatives would contribute to the creation of more self-reliant agricultural economies.

As well, non-Aboriginal rules and regulations presently hold sway in terms of decision-making power over traditional lands and resources and these rules and regulations are quite

different from Aboriginal perspectives. The result is cultural conflict and a retreat from economic activity by First Nations people as can be seen from the contemporary situations illustrated in the RCAP (1996) case studies of Lac Seul and La Loche, as well as the conditions described in Chapter Five. Therefore, I recommend that First Nations need to regain control over the levers that govern their economies before any significant change can occur in First Nations agricultural development. In other words, I feel that the agricultural possibilities of First Nation people can only be viewed in successful terms if ongoing processes of subordination, opportunity and empowerment are taken into account.

For First Nations to develop strategically, they must be aware of all the possibilities and potential opportunities that do exist and could be exploited in order to overcome the myriad of problems keeping them from establishing viable economic sectors such as agriculture. With this in mind, I believe that it is important to put in place certain conditions in which economic development can proceed. This includes the need for Aboriginal Nations to regain control over the decision-making controls that govern their economies. In other words, First Nation agriculture will never occur without a broader emphasis on self-determination and self-government, one that pushes DIAND and the state into a pure advisory role rather than a decision-making role (as RCAP suggests with economic development in general). Keeping in mind Wotherspoon & Satzewich's (1993) assertion that the state faces a severe conflict of interest or "contradiction" in its support of Aboriginal economic development (see "Threats to Development" section, Chapter Six), the state can be viewed as an impediment to agricultural economic development. Therefore there is a pressing need:

to find effective, aboriginal-controlled means of addressing the tremendous disadvantages which many native peoples experience relative to other segments of Canadian society. (Wotherspoon and Satzewich, 1993: 263).

As a result, I believe it is necessary to contemplate the present capitalistic system within the political economy mode of thought. Many academics have championed a neo-liberal orientation, contending that Aboriginal people can become full participants in Canadian society only when they are subject to the free operation of market forces and the basic tenets of capitalism (Drost, Crowley & Schwindt, 1995; Smith, 1995; Flanagan, 2000). This viewpoint argues that state

regulation of Aboriginal peoples is undesirable, and must be abolished through the dismantling of the Indian Affairs bureaucracy and the idea of special rights for Aboriginal people. While this argument may suggest greater autonomy for Aboriginal people from state control, this position is premised on the assumption that Aboriginal people are the same as all other Canadians and, therefore, any special rights are meaningless or even discriminatory.

However, this argument ignores many of the destructive forces and impediments to development that have affected Aboriginal communities through state control and the combined forces of racism, discrimination and other social practices which have influenced Aboriginal economic underdevelopment, including the problems with agricultural development. Chapter Two explains this historical and situational agricultural context in which Aboriginal people find themselves in as they have participated in the capitalistic economy of Canada. Therefore, it can be argued, as Wotherspoon & Satzewich (1993) have done, that capitalistic developments have operated as powerful forces that have contributed to the social and economic underdevelopment that Aboriginal people experience in their interactions with the state and other social groups. Despite the governments contention that there has been an expansion of Aboriginal economic, political and social opportunities and chances to fulfill meaningful positions within Canadian society (Santiago, 1997; Globerman, 1998), instead, Wotherspoon & Satzewich (1993), Bernier (1997), the Federation of Saskatchewan Indian Nations (1997), and Newhouse (2000) contend that these options remain restricted and are not equally available to all Aboriginal people. Given that political power in capitalist societies, as indicated by Mahon (1977), is closely related to economic power, it is clear that economically powerful groups are better represented at the cabinet table than are others (such as First Nations farmers and Aboriginal women). As a result, recognition of the interactive effects of class, race and gender within capitalistic societies carries with it important policy as well as analytical implications. Aboriginal control, therefore, means addressing the tremendous disadvantages which many First Nation peoples have experienced relative to other sections of Canadian society. As Wotherspoon & Satzewich (1993: 263) contend, "efforts to redress Aboriginal subjugation and to explore opportunities for self-determination cannot adequately be pursued in isolation from class, gender, and wider race relations." In other words, agricultural development (and more specifically economic development in general) will not occur unless consideration is given to the inequalities of class, gender and race relations which "remain

fundamental to the constitution of Aboriginal life within capitalist societies” (Wotherspoon & Satzewich, 1993). Therefore, I believe that agricultural development (as well as economic development in general) will be suppressed as long as the inequalities of capitalism are allowed to continue.

In other words, as Newhouse (2000) has explained in his presentation at the National Roundtable on Aboriginal Economic Development and Resources by the Royal Commission on Aboriginal Peoples in 1993, regarding his idea of operating an Aboriginal capitalist economy based on Aboriginal ideals:

I think that there is sufficient desire to try and create something that is uniquely Aboriginal out of this blend of traditionalism and capitalism, what I will call: red capitalism. (Newhouse, 2000: 58).

Newhouse (2000: 58) contends that Aboriginal values (such as sharing, honesty and humility) “be interpreted and translated into community processes, institutions and codes of behavior.” He further maintains that:

Another important factor to consider is the collectivist orientation of Aboriginal society [where] the needs of the group, whether it be the family, clan or nation, take precedence over the needs of the individual. (Newhouse, 2000; 58).

Further analysis of this point is beyond the scope of this investigation, but possibly these comments can point toward several general kinds of investigation that remain to be pursued in greater depth than has so far been the case by social scientists and other persons who are concerned about examining Aboriginal social and economic relations and alternate futures for Aboriginal economic development in general (and First Nation Nations agriculture in particular). In fact Newhouse (2000) answers this point by stating that:

It would be useful to establish an economic research and policy development institute whose main function is to develop the culturally appropriate tools and make them available for use by individuals and communities. It would also be able to provide policy analysis and advice to Aboriginal governments using Aboriginal perspectives and values (Newhouse, 2000: 61).

Perhaps such an institute could be set up with Aboriginal peoples and social scientists

specifically to address the view that past programs (like MIAP) may have failed simply because Aboriginal worldviews and traditions have not been considered when formulating economic development policies. In addition, since it has been established that the state is a complex set of social relations and a site of race, gender and class-based struggles over the distribution of resources, and that state policies are the outcomes of complex relations of political and economic power within the society as a whole, perhaps such an institute could address these issues as well. Such discussion and debate can be affective in stimulating democratic change, but only when they are guided by the people who live those circumstances. As unrealistic as such a possibility may seem, I believe that without such dialog, Aboriginal groups (as well as other equally discriminated ethnic groups and women) will continue to falter economically, politically and socially within the present capitalist system. Perhaps a more friendly and democratic form of capitalism could be derived from such discussion which could stimulate economic development in First Nation communities.

As well, since self-government and land claim issues would most likely take a great deal of time to be completed, I would recommend that First Nations be allowed (and be given the funds) to set up an interim MIAP-like program, addressing the problems that plagued the former program (see Chapter Five). Such a program should be adequately funded over the long-term, and not the year by year funding approval set-up that MIAP had to endure. This new program should be self-sufficient and independent from government decision-making and should be independently evaluated over regular intervals on the basis of realistic long-term goals. It would have a strong incentive and rebate program as well as be adequately funded to provide large-scale, low cost loans to farmers and sufficient funds to provide the necessary education and training through improved advisory services. The organization of this program should be grass-roots orientated with control coming from the farmers themselves. Safeguards against any possible conflict of interest among management or board members must also be addressed. Of course, a MIAP-like program would not be successful without a long-term perspective and commitment as well as the settlement of land claims, self-government issues and a possible research institute to identify and debate the issue of "capitalism with a red face" (Newhouse, 2000: 1).

Finally, I would recommend that a National First Nations Agricultural Producers Survey, covering all First Nations communities of Canada, (modeled after the 2000 Manitoba First Nations

Agricultural Strategic Plan) be implemented so policy makers and First Nations could determine the overall First Nations farm economy in Canada. From such a discovery, data could be collected which could be used to analyze the key strengths and barriers to First Nation agriculture could be identified on a national basis. This would then allow energies to be directed to finding long-term solutions to the problems of First Nation farming. Such a survey could be a stepping stone to the possibilities of growth within First Nation agriculture.

Chapter Eight

Conclusions

MIAP, as a program of economic development, is a key component in the history of First Nations Agriculture in Manitoba. First Nations people have historically suffered significant disadvantages in trying to set up agricultural operations (see Chapter Two). The Treaties, the Indian Act, and a myriad of government policies and programs over the last 130 years have not advanced First Nations agriculture as a successful economic development possibility. With the development of CAEDS as a policy of economic development in the late 1980s and the end of the INAC support programs for Aboriginal agriculture (such as MIAP) in the early 1990s, First Nations farmers have suffered serious setbacks. Many of those First Nation farmers, who were once relatively successful under the MIAP initiative, have given up on commercial farming. The loss of programs, such as MIAP, coupled with the general unavailability of programs used to support non-Aboriginal farmers, have made the industry increasingly difficult for First Nation farmers. First Nation farmers require specialized support systems if they are to develop commercially viable operations. Starting from a position of considerable disadvantage, much work is needed if they are to catch up to their non-Aboriginal neighbors.

As a result, it is evident that an overall strategic plan must be put in place, borrowing from the components and recommendations of RCAP and the Manitoba First Nation Strategic Plan. As well, it is important to keep in mind the successes and weaknesses of MIAP when devising a strategic plan for First Nations agriculture. It is also necessary to make sure that such planning includes Aboriginal perspectives, traditions and worldviews. MIAP offers planners and policy makers a blueprint from which to draw from and can be of considerable help when formalizing any strategic plan for First Nations agriculture. Such a plan could ensure a broad based and holistic effort to offset historically established inequities and, if implemented, would ensure the development of a sustainable, economically sound agricultural sector for First Nations farmers. Of course, as argued above, a sound agricultural policy not be possible without the completion of self-government initiatives which recently existed in Manitoba under the Framework Agreement Initiative. Likewise, because land is such an important issue in agricultural development for First Nations communities, I feel that concluding any land claim agreements and outstanding TLE settlements is necessary

before any strategic programs could succeed. Therefore, to summarize, a strategic plan to help First Nation agriculture should contain the following five components:

1. The completion of self-government initiatives & the establishment of a new advisory-only role for government.
2. The completion of land claims, TLE and expansion of farms off the reserve.
3. The Elimination of CAEDS and Present Government Initiatives which affect Aboriginal agricultural pursuits in order to build new initiatives and programs.
4. The creation of a comprehensive National First Nations Agricultural Survey (modeled after the 1999 Manitoba First Nations Agricultural Producers Survey) funded by the federal government with a goal to determine the actual numbers of First Nations individuals engaged in farming, the number of First Nations farms, size of farms and other statistical data which will help to highlight the key strengths, identify the barriers and analyze the possibilities for growth within First Nations agriculture (modeled after the 2000 Manitoba First Nations Agricultural Strategic Plan).
5. The establishment of a long term agricultural policy and funding initiative (based on the National First Nations Agricultural Strategic Plan) that is First Nation Driven which integrates Aboriginal traditions and worldviews and considers the following:

- a) The creation of a First Nations Farmers Association and participation in producer organizations
- b) The political commitment by First Nations Band Councils and organizations to support and undertake changes in land tenure (such as title to land or private ownership issues) and land use so that efficient, viable reserve farms or ranches can be established.
- c) The availability of long-term access to capital, debt restructuring for existing farmers and a loan guarantee program with rates competitive with commercial institutions
- d) The creation of First Nations agricultural support Services & the tailoring of provincial extension services to First Nation clients
- e). The added focus on niche markets & strategic development initiatives
- f). the creation of a management system with adequate checks and balances, transparency and accountability to offset any accusations of conflict of interest

Of course, when one considers the present state of agriculture in Manitoba, with farms being consolidated into corporate entities and the dramatic fall in the number of non-Aboriginal farmers, it is impossible to determine whether the government even considers First Nations agriculture as a possibility worth considering. However, taken together as a package, such a policy

has the potential to turn around First Nation agriculture in Manitoba and establish it as a sustainable sector in the overall First Nations economy. The end result could also be that the establishment of a First Nation Agricultural sector on par with non-Aboriginal counterparts could become a reality.

MIAP: Final Comments

Despite its apparent weaknesses, MIAP, as a program to assist First Nation agriculture, can be considered a success, particularly when compared to the more contemporary programs available under CAEDS. Though it has been shown that MIAP did not achieve all its goals or objectives in many of its strategic initiatives, without MIAP, First Nations agriculture has suffered a great deal. MIAP's problems mostly originated from a failed government policy, which included a lack of commitment for adequate funding, long term programming, and farmer education and advisory services as well as inadequate safeguards against conflict of interest. MIAP's other problems originated from a lack of commitment from First Nations governments and organizations, particularly in the support of First Nations agriculture and the settlement of land tenure issues. Of course, First Nation agriculture would never have succeeded under MIAP without addressing the issue of new land for expanding as well as for first time farmers. Perhaps the settlement of land claims and TLE settlements will correct this problem that most First Nation communities with an agricultural potential have experienced from the MIAP era well into contemporary times.

MIAP did have a number of successes as well. Chief among these successes is that First Nation farmers enjoyed greater achievements during the MIAP period when compared to the situation that exists today. There were more existing farmers producing more produce from more land and receiving more income from farming than what exists at present. MIAP farmers also were able to spread the awareness of the potential for farming to other prospective farmers; and in so doing, they acted as role models for the entire agricultural industry potential on First Nation communities. Most importantly, however, is the fact that MIAP can be used as a blueprint for any future agricultural policies in First Nations communities. Future policies or policy makers have the advantage of using MIAP as an example of the potential of First Nation agriculture. In viewing the weaknesses and strengths of MIAP, policy makers can build on the successes and prevent a repeat of the problems. In this way, MIAP, as an historical example of government policy, can be used to help future policies toward First Nation agriculture. Perhaps, future policies and strategies, using

the experience of MIAP as a framework, will help to establish a sound First Nation farming sector that will be able to operate on an equal basis with their non-Aboriginal counterparts

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Appendix

14.3 First Nations Farmer's Association

<p>Current Policies</p>	<p>Currently, First Nations farmers do not have an organization that organizes and coordinates their lobby efforts and policy development activities to support their role in the industry.</p> <p>Non-aboriginal farmers in the province are able to join the Keystone Agricultural Producers (KAP) and other producer organizations such as: The Manitoba Cattle producers, Manitoba Pork Producers Association, etc. These organizations serve to organize Manitoba farmers and lobby for their interests to government. First Nations farmers are currently not involved in these organizations.</p>
<p>Limitations/Concerns</p>	<p>First Nations farmers are not aware of KAP and its activities. There is no First Nations participation in the non-aboriginal farmers organizations.</p> <p>No organization exists to offer support and coordination for all First Nations farmers. Although the elk and bison council has been successful, its mandate is limited to a very narrow sector.</p> <p>First Nations farmers do not get involved in the producer organizations. As such, they miss out on networking, lobbying, policy development and information sharing opportunities with other farmers.</p>
<p>Recommended Policies</p>	<ol style="list-style-type: none"> 1. Establish a First Nations Farmers Association 2. First Nations farmers, through the First Nations Farmers Association, need to participate in the non-aboriginal producers organizations such as KAP.
	<ul style="list-style-type: none"> • A First Nations Farmers Association would serve to coordinate and organize the activities of First Nations farmers in Manitoba. Membership in the organization would help foster a team spirit and combat the isolation and alienation that many First Nations farmers have complained about. • A distinct First Nations Farm Association would lobby for the interests and concerns of historically disadvantaged First Nations farmers • The First Nations Farmers Association would serve as an essential bridge between the Provincial Department of Agriculture and First Nations farmers, flowing information and exchanging data. • The FNFA would serve as a catalyst between the non-aboriginal and First Nations farming sectors, organizing field trips to successful farms and facilitating information sharing between the two groups. • By participating in the non-aboriginal farming organizations, First Nations farmers would have an updated account of the industry and would be able to share information, support and lobby efforts with all farmers in Manitoba. • Participating in non-aboriginal producers organizations would ensure that First Nations farmers have a voice in the policy making and recommendation to government that the organizations participate in.

14.2 First Nations Agricultural Support Services

<p>Current Policies</p>	<p>Provincial department of agriculture currently hold agricultural seminars and workshops in major rural centers. Advertisements are placed in rural non-Aboriginal papers.</p> <p>There is no direct information flow to First Nation farmers with respect to upcoming seminars and workshops.</p> <p>First Nations employment and training programs do not place agriculture as a priority.</p> <p>There is no formal policy guiding provincial Agriculture Representatives to offer their services to the reserves.</p>
<p>Limitations/Concerns</p>	<p>First Nations farmers are not aware of provincial seminars and workshops.</p> <p>Seminars and workshops are led by non-Aboriginals', with no/little cultural awareness. Few First Nations farmers participate</p> <p>Seminars and workshops in some cases are not geared to First Nation farmers who may lack the technical background of the non-aboriginal farmers.</p> <p>Some Agricultural Representatives do offer their services on-reserve, others do not.</p> <p>Existing First Nations programs/resources are not partnering with Provincial efforts to maximize benefits.</p>
<p>Recommended Policies</p>	<ol style="list-style-type: none"> 1. Existing provincial agricultural support services and programs outreached to First Nations farmers. 2. Develop an interim interchange with the Province for the services of an agrologist to be provided through First Nations Farm Credit Corporation.
<p>Benefits</p>	<ul style="list-style-type: none"> • First Nations farmers would have immediate access to latest farming innovations and technologies. • First Nations farmers productivity and profitability would be enhance to improve commercially viable. • No duplication of support services and programs to First Nations farmers that maybe cost prohibitive and inferior. • First Nations farmers having an increased economic contribution to the Manitoba agricultural sector.

14.3 First Nations Farmer's Association

<p>Current Policies</p>	<p>Currently, First Nations farmers do not have an organization that organizes and coordinates their lobby efforts and policy development activities to support their role in the industry.</p> <p>Non-aboriginal farmers in the province are able to join the Keystone Agricultural Producers (KAP) and other producer organizations such as: The Manitoba Cattle producers, Manitoba Pork Producers Association, etc. These organizations serve to organize Manitoba farmers and lobby for their interests to government. First Nations farmers are currently not involved in these organizations.</p>
<p>Limitations/Concerns</p>	<p>First Nations farmers are not aware of KAP and its activities. There is no First Nations participation in the non-aboriginal farmers organizations.</p> <p>No organization exists to offer support and coordination for all First Nations farmers. Although the elk and bison council has been successful, its mandate is limited to a very narrow sector.</p> <p>First Nations farmers do not get involved in the producer organizations. As such, they miss out on networking, lobbying, policy development and information sharing opportunities with other farmers.</p>
<p>Recommended Policies</p>	<ol style="list-style-type: none"> 1. Establish a First Nations Farmers Association 2. First Nations farmers, through the First Nations Farmers Association, need to participate in the non-aboriginal producers organizations such as KAP.
	<ul style="list-style-type: none"> • A First Nations Farmers Association would serve to coordinate and organize the activities of First Nations farmers in Manitoba. Membership in the organization would help foster a team spirit and combat the isolation and alienation that many First Nations farmers have complained about. • A distinct First Nations Farm Association would lobby for the interests and concerns of historically disadvantaged First Nations farmers • The First Nations Farmers Association would serve as an essential bridge between the Provincial Department of Agriculture and First Nations farmers, flowing information and exchanging data. • The FNFA would serve as a catalyst between the non-aboriginal and First Nations farming sectors, organizing field trips to successful farms and facilitating information sharing between the two groups. • By participating in the non-aboriginal farming organizations, First Nations farmers would have an updated account of the industry and would be able to share information, support and lobby efforts with all farmers in Manitoba. • Participating in non-aboriginal producers organizations would ensure that First Nations farmers have a voice in the policy making and recommendation to government that the organizations participate in.

14.4 Strengthen Government Support and Commitment to First Nations Agriculture

<p>Current Policies</p>	<p>First Nations Government do not have concrete policies to support First Nations Agriculture. Not all bands have implemented effective land use plans and land tenure policies.</p> <p>The provincial government does not have any specific plan or strategy to support First Nations agriculture.</p> <p>Since the collapse of MIADCO, the Federal Government has not provided any direct support activities for First Nations agriculture.</p> <p>The Federal and Provincial governments do have income support programs that are available to some farmers, however, restrictive criteria have limited the ability of First Nations farmers to access needed support.</p>
<p>Limitations/Concerns</p>	<p>First Nations farmers need the support of local governments in order to develop successful farm operations on-reserve.</p> <p>First Nations farmers want to be a part of the Manitoba farming sector alongside non-aboriginal farmers. Provincial support is required to ensure that First Nations farmers have equal access to opportunities.</p> <p>Current federal/provincial programs are not supportive to First Nations farmers who are struggling to establish commercially viable farm units.</p>
<p>Recommended Policies</p>	<ul style="list-style-type: none"> • First Nations governments need to establish and implement clear land tenure and land use policies on-reserve to develop available natural resources and support stable long term growth. • The Provincial Government should establish a Protocol Agreement with Manitoba First Nations to solidify their partnership in the agriculture industry. • The Federal government needs to support First Nations Agriculture by providing funds for activities such as the First Nations Farmers Association, the First Nations Loan Guarantee Program, First Nations Youth Agricultural Loan Fund etc.
<p>Benefits</p>	<ul style="list-style-type: none"> • Given the current economic climate, government support at all three levels (federal, provincial and local) is required in order to ensure a healthy agriculture sector both on and off reserve. • Government support will assist farmers in their efforts to boost economic activity in the province and provide spin-off jobs both on reserve and off. • By providing the policy support required by First Nations farmers, First Nations governments will be working towards establishing a healthy and stable economic base from which to support self-government. • The development of healthy economic activity on reserve will serve to reduce social assistance dependence and foster a new spirit of entrepreneurship and independence.

14.5 Focus on Niche Market and Strategic Development

Current Policies	<p>The Manitoba First Nations Elk and Bison Council has been established to assist First Nations farmers who want to get involved in the elk and bison industry.</p> <p>Financial supports and technical information are currently not readily available to First Nations people who wish to enter into niche market opportunities.</p>
Limitations/Concerns	<p>No other supports exist for First Nations farmers who are interested in niche markets other than elk and bison. Niche opportunities do exist, however First Nations farmers require technical and financial assistance to enter into the emerging sectors.</p> <p>Existing First Nations funding sources are reluctant to provide financial support for new emerging niche markets.</p>
Recommended Policies	<p>1. A First Nations Strategic Development Fund which provides both financial and technical support for farmers who want to take advantage of recognized niche market opportunities.</p>
Benefits	<ul style="list-style-type: none"> • Niche market opportunities provide a higher return on investment than conventional agricultural enterprises. • First Nations farmers establishing agricultural enterprises that are more suited to soil classification of reserve lands, resulting in a higher degree of success. • First Nations people establishing joint venture arrangements to successfully enter large-scale modern agriculture, i.e., hog production.