

Rise & Growth of Ownership

The phenomena of business, owning things, being independent, making money, in some cases being wealthy, has always intrigued me especially because I come from a background and culture where business was not the norm. But it was something I saw as a young boy growing up in Fort Simpson.

When my grandmother's Old Age Pension came, which was \$25.00 - \$40.00 once a month, I would go with my grandmother to the store, the HBC, to buy needed supplies. The only business in town was the HBC. Other prominent establishments were the churches, the RCMP, the Army Signals and The Indian Agent. Hunting and trapping was the dominant way of life. Making a living off the land and trading your furs for essential equipment and supplies was the way of life.

My first lesson about who the HBC was and what constituted a businessman was told to me by my Uncle Ted who used to say "To be a businessman you had to have a heart of steel." He likened the relationships of the trader and trappers who brought in their furs to a hunter who in the spring would sit by the edge of a creek waiting for a muskrat to come swimming by. Unbeknownst to the muskrat he is shot and skinned. That was the lot of the consumer. It was dog eat dog and survival of the fittest.

When all the furs were examined, measured and shaken, a price was offered. The policy was take it or leave it; no bargaining. The trader always had the upper hand. No slogans such as "satisfaction or your money back" in those days and no Better Business Bureau to check up on unfair dealings.

I'm reminded of the story that Joe Lafferty used to tell. One time he was coming to town with his dog team for Christmas. He had trapped and had quite a bundle of furs. He was very pleased with himself. He was in his sled, relishing the good time he would have. He was close to town and the dogs were moving along pretty fast. All of a sudden, the sled slowed. He looked back and there was a big black door standing on the carry-all. He yelled at the dogs and they lept ahead and when he looked again, the bear was standing in the trail waving good-bye to him. I'll let you decide whether that story is true.

The next event in my young life in which I experienced what business was about was with my Uncle Charlie Hansen. He was a young man who emigrated from Denmark, worked on several farms in Alberta and eventually made his way north. He had been on a boat that made trips to Great Bear Lake and Aklavik. On their way south, along the Mackenzie in late October, they finally had to abandon their boat because of thick ice and began walking south along the shore and arrived in Fort Simpson.

He was a handy man. The local people noticed he had wooden buttons on his coat. He had made wooden buttons to replace those that had fallen off, so they called him "De Chen" – wooden buttons. He got a job as a cook for the RCMP and eventually married my aunt and thus started a 40 year life in the North. He became the first contractor in town. He did everything; he cut ice for water supply, cut and haul wood, built houses, grew large gardens and even started a small sawmill. He eventually bought Andy Whittington's hotel. This is where I, as a teenager, interacted with him, lived with him and worked for him and where I got my work ethic and sense of what business really was.

I split and hauled in wood, packed buckets of water and waited on the counter in the café that served coffee, pie and meals.

Charlie was enterprising and a hard worker. His philosophy was "when things got tough, you just work harder." Don't loaf around and worry about it.

We go to 1970. I finished University and went back to my hometown. I started the Dene Co-op; an attempt to get local people into business. I always believed native people should be in business. We bought the Mission Garden tractor and implements and planted potatoes. We had a great harvest and in the fall, we shipped

100 bags to Father Ruyant in Inuvik at Grollier Hall, 50 bags to Semiler's store and 100 bags locally to the hostel.

I remember a few weeks later Father Ruyant phoning me saying the 100 lb bags were not really 100 lbs. I told him it must have settled or the guys on the boat took some. They were 100 lb bags and we just filled them and assumed that's what they weighed.

We get to the 1980's and 90's where you see more and more native peoples getting into private business: taxis, convenient stores, bed and breakfasts; small easy businesses to get into. Then with the settling of land claims came corporations, partnerships, investing in air lines, trucking, hotels, oil and gas, every type of business and even 1/3 interest in a pipeline; if and when it ever goes.

The Inuvialuit were the first in 1984 to settle their claims. They received \$162 million over 13 years, \$10 million specifically for economic development. Through wise investments and active involvement in business they have increased their assets several fold. NorTerra Inc. – a holding company that includes Canadian North and NTCL among others – is owned jointly by the Inuvialuit and Nunasi Corp. It had over \$500 million in revenues in 2008, making it one of Canada's 500 biggest companies.

The Gwich'in Claim was settled in 1992 and the Sahtu Dene/Metis followed suit two years later in 1994. Increasingly, both groups are using their settlement funds to get into a wide range of businesses. Anyone travelling to Inuvik in the last few years has to be impressed with the many new buildings and businesses the Gwich'in now own.

The Tli'cho were the latest group to settle their land claim and self-government agreement in 2005 and the benefits of that are now being seen. But the Tli'cho did not wait until their final agreement before getting heavily involved in business. Using the Impact Benefit Agreements negotiated with the diamond mines, they began setting up corporations and taking on major contracts. Today, they have more than fifteen companies very much involved in providing services to the diamond mines. It helps to have diamond mines in your backyard.

The Tli'cho deserve a lot of credit. They are the most traditional – their way of life and culture. Many of them have made the jump to a modern industrial way of life. Years ago their leaders saw the value of education. With the creation of the Rae-Edzo school society in 1969 they were the first Aboriginal community in Canada to take control of their school. They have stressed higher education and now have dozens of their students at southern Universities every year.

The situation of native people being in business is new and has not been easy. Within 40 – 50 years, there's been a change from life on the land, some of their leaders moving essentially, from tepees to boardrooms.

On a community level it required a radical change in attitude towards individuals who got the idea that maybe I can save my money, leave my job and work for myself; be independent. The individual was going against the community rule of "sharing" and not being too different from everyone else. I know that it's a very simple thing but I had to learn that it was okay to barter. If someone offers to sell you something for a price it wasn't an insult or an affront to suggest a lower price. That's the nature of negotiations in business.

In the mid 1980's, there was still a suspicion of business and any local person who dared take the initiative to start his own business was portrayed as selfish, money hungry and ostracized to a certain extent. Being a businessman he was now different.

The phenomenon of aboriginal business corporations has come about not solely by the skills/ambition of aboriginal business people. It has come about by northern business people willing to share their knowledge and skills, join forces with native

peoples; many willing to work for aboriginal businesses, many others forming partnerships.

Governments and industry have also played a role in promoting and insisting on the involvement of aboriginal peoples and making hard decisions that a certain percent will be aboriginal employees and certain opportunities will be given to aboriginal businesses.

The North is not unique in this regard and it's becoming a way of doing business in the South particularly where there is resource development on or near native lands. Industry is looked upon more and more in the struggle to rid First Nations of poverty and the attendant social problems associated with such poverty.

In 2000, I had Lutra & Associates do a report and found that there were over 200 collectively owned aboriginal businesses and many private ones. Since then, no doubt the numbers have increased substantially.

Several years ago, as Chair of the Senate Aboriginal Peoples' Committee, I started a study on aboriginal economic development. I was intrigued as to why some

First Nations were succeeding and why others were mired down hopelessly in poverty and social problems.

Our findings were published in March 2007 in a report entitled "Sharing Canada's Prosperity, a Hand Up, Not a Hand Out." There are over a hundred First Nations across Canada who are succeeding at business. Many like Squamish, West Bank, Osoyoos in British Columbia, Millbrook near Truro in Nova Scotia are close to large cities while others like Lac LaRonge, the Cree in Northern Québec are in remote areas. We have copies of the report if anyone is interested.

I've mentioned education several times. Our children are our future and we have to do a better job at preparing them for it. They need to know about science and history, language and the law but we also have to teach them how to be successful in business. Business should become part of the curriculum from the early grades up to high school. They need to understand the basics of money.

Right now a lot of people come out of school without being able to balance their cheque book or set up a household budget. And that's the minimum they should know. They also need to know where money comes from and how it is made – they especially have to know that it is business that generates wealth. And the only way they can get into business is by learning how to save and invest.

They initially have to be willing to make some sacrifices and take some risks so they can reap the rewards later.

I want to say a few words about the regulatory system in the NWT.

Everyone knows about the difficulty with the regulatory process, especially for large projects. In the Yukon, the Carmacks Copper Mine was assessed under the Yukon Environmental and Social Assessment Board in about 18 months and the permitting process is now underway. Compare that to the eight years the Prairie Creek zinc mine have spent in review. We need to make improvements in the NWT process to achieve similar levels.

This won't be easy. The current Boards and processes were designed through land claims to make sure Aboriginal people have a say in what happens on the land and water. They were developed piecemeal over time whereas the Yukon system was designed all at once. To make matters worse, as the Auditor General pointed out in her 2006 report, the federal government didn't provide sufficient guidance or resources to the new Boards after they were set up. New money was provided in recent budgets and the Minister commissioned the McCrank report to recommend changes.

But really this is not something that can be fixed by Ottawa imposing a solution. It's a learning experience. On the community/regional front, it requires confidence and trust that industry is not out to pillage and harm the environment and industry will need to do their part in assuring community people that the project will benefit them in employment, business opportunities or even an equity interest. I have no doubt that through time patience and experience these regulatory bodies will become more efficient and render decisions faster.

In my view, governments also need to become much more aggressive in promoting economic development. Business has to be seen as the only real way forward for the North and our communities. We need to spend more money encouraging, promoting and supporting economic development, especially at the community level. But more than that, we need to make sure that every decision made and every program delivered has to consider how it will promote economic growth. Any time we can find a way to divert money from social programs towards the economy, we should do it. In the long term, this will generate wealth and jobs and reduce the need for social programs.

As the Senator for the NWT, I have many occasions to speak about the North – how there are only 43,000 of us living in a big land, an area bigger than Québec.

I tell them we're tough to be living in this harsh, cold environment. They should respect us – we are the basis for Canada's claim for Arctic sovereignty. But we like the cold – the Inuit especially tell me 'the colder the better.' I've often thought of proposing a change to the Charter of Rights to include 'the right to be cold.'

We have forged a unique northern society where there is more understanding and more give and take between peoples here. That ability to live together is one of our greatest strengths - an example for the rest of our country. We have accomplished much in the last 40 years – this will help us deal with the issues facing us. I think of global warming, arctic sovereignty and increased demands from the south for our resources. I know we will have the wisdom and strength to face these challenges and make sure the future bodes well in our favour.