New Partnerships in Hydro Development

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It was late in the evening, almost one year ago, that I was standing on the side of provincial road 391, north of Thompson, Mb., at the point where Manitoba Hydro and
Nisichawayasihk Cree Nation (NCN) would like to put an access road to the site of the proposed Wuskwatim hydroelectric generating station.

For over forty years, Manitoba Hydro has used the energy of the Churchill, Nelson, and Saskatchewan rivers that flow through northern Manitoba to spin the turbines of several immense hydroelectric generating stations. Hydro development of the north created two dichotomous legacies: inexpensive power for industrialized centres in the north and south, and decay for the First Nations communities that bore the brunt of ‘progress.’ As I looked into the forest, I couldn’t help but wonder about the significance of not only the road, but also the whole proposed partnership itself. Will a brand new year signify a brand new way to undertake hydroelectric development in Manitoba?

**Purpose and objectives**

This report has two components: a) inform the reader about the planned partnership between Nisichawayasihk Cree Nation (NCN) and Manitoba Hydro for the proposed Wuskwatim Hydroelectric Generating Station; and b) assess the presence and determine the role community economic development (CED) in the proposed partnership.

I begin with background information on the history of northern Manitoba, followed by a brief history of the community of NCN and past hydroelectric development. Next, I will outline the role of the community in future development – the proposed Wuskwatim project. The manner in which the new partnership was conceived, the motivation for this partnership, the problems it is supposed to address, and the goals it will achieve will also be considered. I conclude with analysis on the presence and impact of CED.
Northern Manitoba

Since time immemorial, First Nations people have used and occupied the land in the northern region of the province of Manitoba. A 1992 report from the Northern Manitoba Economic Development Commission, *Northern Manitoba: A Benchmark Report*, points to early archaeological evidence that the Assiniboine, Cree and Ojibway peoples as the first to come to what is now known as the province of Manitoba.

The Regional Economic Expansion report (1977) mentions that before 1670, a single way of life was known and understood by all who lived in the north. The people were able to provide for their own needs directly from the natural resources of the region. The animals, fish, trees and plants provided the materials for food, clothing, shelter, tools, and even health needs. Groups of people moved freely about the region, following seasonal patterns of fish and animals.

The arrival of the Hudson’s Bay Company marked the beginning of the extraction of resources for a profit and was the first Aboriginal involvement in resource development. Furs and natural survival skills were traded for the supplies available from traders and explorers. As new tools were introduced and new ways of doing things were learned, many of the older survival skills were lost (Anderson, 1992).

Around the time of Confederation in 1867, exploration and inland settlement continued, slowly impacting the skills and attitudes of the First Nations. Reliance on the trader for food and clothing increased while traditional methods of hunting, building and clothing of the family were no longer being passed on to the young. Dependence further increased with the signing of the numbered Treaties beginning in 1871. During this time,
demands upon the natural resources increased sharply. It was no longer possible to hunt and fish simply to meet the immediate needs of the settlement (Tough, 1996).

A new century brought about the beginnings of the industrialization of the north. Families and communities were no longer able to move with seasonal resources. Permanent communities were being established and people had to decide between their traditional nomadic existence and a permanent location in an often unfamiliar, industrialized community (Regional Economic Expansion, 1977).

For many northerners, a reoccurring theme is that development and change often happens so fast that they have little time to prepare for the decisions and actions necessary to maintain community stability and growth. Decisions that affect the future of communities are made in keeping with the needs of the industrial south rather than in consultation with the people at the local level, placing them outside the decision-making process (Regional Economic Expansion, 1977).

**Previous hydro development in Manitoba**

After World War II, two Canada’s emerged. There was the flourishing, predominantly non-Aboriginal south, full of jobs and opportunities. It was much the opposite for Aboriginal people, who could only watch as the fur industry collapsed leaving far and few economic opportunities, and the residential school system further destroyed their lives (Dumas, 2003; Miller, 1997; Nickels, 1996; Pannekoek, 1987).

The development of northern Manitoba began in the late 1950s when the International Nickel Company (INCO) found a large ore body near what is now Thompson. In order to meet the electrical needs of the mine and rapidly growing town
The 223-megawatt (MW) Kelsey Hydroelectric Generating Station was constructed between 1957 and 1961 on the upper Nelson River. After Kelsey, four (4) additional northern generating stations were constructed on the Nelson and Saskatchewan rivers. Grand Rapids (1968) (479 MW), Kettle (1974) (1,220 MW), Long Spruce (1979) (1,010 MW), Jenpeg (1979) (132 MW), and Limestone (1990) (1,340 MW).

Since these projects were completed, Manitobans have enjoyed some of the lowest electricity rates in North America, while many Aboriginal communities have endured hardships beyond comprehension. Williams and Compton (1991) reported that for Aboriginal peoples living in the vicinity of these developments, the extensive impacts—ancient burial sites being washed away, shoreline impact due to soil erosion, abnormal water fluctuations, and reversing of river flows to name but just a few of the problems—continue to be felt to this day. Furthermore, Aboriginal people were not consulted in advance about the scope and magnitude of the projects, a process referred to by Grant (1994) as *ex-poste* decision-making.

It is estimated that a further 5,000 MW remain available in northern Manitoba for development (Manitoba Hydro, 1999).

**Colonial practice**

“Southern Manitoba consumers enjoy low electricity rates at the expense of uncounted social and environmental costs to northern communities...whose lands and way of life were destroyed to permit this project...[it is a] sad irony to the fact that the residents had to pay for the electricity that had caused their poverty, or be disconnected in the middle of the winter” (Chodkiewicz and Brown, 1999, p.22-25.)

In order to meet the ever-increasing demand for electricity, hydroelectric projects have a history of dealings that closely mirror the Treaty/Scrip processes of the late
nineteenth and early twentieth centuries, a phase that ushered in governmental control and exploitation of Aboriginal peoples (Waldram, 1993).

By removing First Nations people from their land, hydroelectric development “facilitated non-Native settlement and resource exploitation” (1993, p. xi) and left “Indian people without the benefits that should have accrued from their status as original occupiers of the land” (Waldram, 1988, p.1). Waldram, an expert from the University of Saskatchewan, also believes that governments sell the idea of massive hydroelectric development to the public under the guise of it being an investment in the province and its people. Quoting an Elder, he writes:

“When we look at the development of the North, we can say that all governments…have been callous and indifferent to the needs of Indian people when the choice has to be made between the welfare of Indian people and the short-term benefits of a society and a system, which appears to measure benefits using money as its chief standard.” (Waldram, 1993, p.114).

Waldram further argues that that the government of Manitoba, in this early development, merely provided an ‘image of improvement’ and did not use “the energy, employment, and income potential of hydro development” (1988, p.1) to advance the economic lives of Aboriginal peoples living in the affected areas. This entire exercise was merely a replication of the Treaty process, which secured compliance only to be forgotten afterwards. Once government has interfered extensively in a people’s lives, they are never quite the same again, concludes Waldram (1993).

**Nisichawayasihk Cree Nation**

Nisichawayasihk Cree Nation (NCN), in Cree means, “Where three rivers meet,” a reference to the confluence of Burntwood, Footprint and Rat rivers. NCN is a community of over 4,000 people and is comprised of the two communities who share the
name Nelson House, as well as South Indian Lake, which broke away in the 1930s after the fur trade industry collapsed (Hiebert, 2004; Linklater, 1997; Nickels, 1996; Waldram, 1993).

NCN is geographically located within the Treaty 5 area negotiated in 1875. The community is a signatory to the Treaty 5 adhesion of 1908, a Treaty that arose largely out of growing economic interest in the resources of the area and represented ‘the beginning of a century of change and challenge for the people of NCN’ (NCN, 2004; Miller, 1997; Waldram, 1993; Grainger, 1979).

Hydro development in the early 1970s devastated the community and a way of life was changed. Strangers to the land and community imposed change on the people of NCN. Traditional subsistence activities like hunting, fishing and trapping could no longer support many families (Riffel & Sealey, 1984).

The Churchill River Diversion (CRD) plans became public in 1966 and in Woodford’s (1974) words, was an “engineer’s dream and an environmentalist’s nightmare” (p.3). Conceived as part of a plan that would ultimately produce over 8000 megawatts of power, the CRD is located in the Nelson House Resource Management Area. Manitoba Hydro produced a diversion scheme, sending the waters of Southern Indian Lake (on the Churchill River system) south into the Nelson River. A control structure was also created to reverse the current in part of Lake Winnipeg, raising it and turning it into a giant reservoir to feed varying amounts of water in to the Nelson River system. This plan meant that the community of South Indian Lake and its 700 residents would be submerged (Dickson, 1974).

“In the case of South Indian Lake, the approach…to the process of negotiation became more deceitful, and the human rights of the people
in the impact area were more arrogantly trampled than ever before.”
(Waldram, p. 217, 1984)

The damage totalled over 500,000 acres of land with water level fluctuations and
erosion but two of the environmental problems that continue to this day. It was “[the]
reckless disregard for the lives of the Cree people…” (NFA, 2003, p.2) and led to the
next phase in NCN’s history of hydroelectric development, the negotiation and

It wasn’t until 1992 that substantial progress took place regarding NCN’s
outstanding claims under the NFA. Four years later, in 1996, a Comprehensive
Implementation Agreement was signed that settled these claims, and provided the
mechanism for NCN to become a partner in future hydro development. However, there is
feeling that the implementation agreement was nothing more than a “…cash buyout of
the promises made in the NFA” (Kulchyski, p.1, 2004).

**Nisichawayasihk Cree Nation Today**

**Population and demographics**

Nisichawayasihk Cree Nation has a total population of close to 5,000 living in
Nelson House, South Indian Lake, Thompson, Brandon and Winnipeg. The on-reserve
population is 2,376 with an off-reserve population of 1,330 and an other-reserve
population of 25. The population of South Indian Lake is 1,018. By the year 2011, NCN
membership is expected to increase to over 7100 residents, making this community one
of the fastest growing populations in Canada (NCN, 2004).

The majority of the population is between the ages of 13 and 30 years. In the rest
of Manitoba, only 41% of the population is under 30 years of age. Almost 50% of the
population is of school age, compared to 11% for the province of Manitoba. One-third
has less than a grade nine education, which compares to 13% for the rest of Manitoba
(NCN, 2004; Thomas and Kustra, 2003).

**Education**

From information supplied to me by Councillor Elvis Thomas (2004b), NCN has
two schools with a total enrolment of nearly 1,000 elementary and secondary students at
the Otetiskiwin Kiskinwamahtowekamik School and Nisichawayasihk Neyo Ohtenwak
Collegiate.

An exciting project that just recently began construction is the $8.1 million
Atoskiwin Training and Education Centre of Excellence (ATEC), a community based,
accredited post-secondary training facility. ATEC will give First Nations people the
necessary entrepreneurial and trades skills to take advantage of opportunities presented
by the potential hydro development and other projects, as well as offering literacy and
upgrading, clerical skills, and a life skills program. Some of the training programs
include: women in trades and technology, heavy equipment operator, skilled trades, and
labour and rebar work. The new education centre will also be offering “business
incubation services” (Thomas, 2004b) in areas like accounting and business plan writing.

**Health Care**

During my visit to NCN last year, many of the community residents spoke of the
limited health care that the Nelson House Nursing Station provides. There is no doctor or
dentist in the community, with nursing and dental services provided by two public health
representatives and one public health nurse. For serious matters, community members
can be transferred via ambulance to the Thompson General Hospital, with the possibility
of a Medivac flight to Winnipeg if need be.
Economic Development

NCN’s traditional economy (hunting, fishing, trapping, and gathering) still exists but has diminished in importance as the young population seeks new opportunities. To that end, the Band Council, led by Chief Jerry Primrose, are promoting “a vision of a sovereignty that sustains a prosperous socio-economic future” (NCN, 2004).

The first component of this vision entails investing in businesses and services that can bring jobs and opportunities. NCN owns the Mystery Lake Hotel in Thompson, and I have had the opportunity to dine there on several occasions. During my time in the community I made several purchases at the vibrant Northern Store, and made use of one of the local taxi services. Other businesses which I saw or visited, and which are listed on the NCN website, include:

- Nelson House Trappers Association
- Nelson House Fisherman’s Association
- Nelson House Forest Industries Inc.
- Nelson House Trust Office
- Nelson House Future Development
- Nelson House Medicine Lodge
- Nelson House Education Authority
- Nelson House Gaming Commission
- Nelson House Community Council
- Nelson House Development Corporation
- Nelson House Recreation
- Nisichawayasihk Communications Corporation
- NCN Office Products
- NCN Personal Care Home
- NCN Human Resources
While in NCN, Chief Primrose (2003) also mentioned to me the Band Council’s desire to explore the possibilities for eco-tourism, affording tourists the opportunity to experience the culture of northern Manitoba.

Perhaps the most important economic development initiative being undertaken by the Band Council is the use of partnerships in the development of the natural resources contained with the Nelson House Resource Management Area. In a conversation with this writer, Councillor W.E. Thomas felt that rather than being stuck on the sidelines watching development take place, as they were in the past when they were “shut out” from the process, partnering with Manitoba Hydro could allow them the opportunity to try and minimize the impact on their land (Thomas, 2004b).

**Future Development - Wuskwatim**

The proposed $1 billion (including transmission facilities), 200 MW Wuskwatim hydroelectric project (including transmission facilities) will be located at Taskinigup Falls at Wuskwatim Lake, which feeds into the Burntwood River approximately 35 km southeast of Nisichawayasihk Cree Nation (NCN) and 20 km west of Thompson. The
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project is considered a merchant dam, which means it is currently designated for export only (Henley, 2002). The Government of Manitoba has accepted the recommendations of the Clean Environment Commission that the project satisfies the justification, need for and alternatives, and potential environmental effects of the generating station (CEC. 2004). A community referendum is expected in January 2005 on whether to proceed with the project, followed by a decision by the Manitoba Hydroelectric Board.

The proposed partnership arose out of the 1996 Comprehensive Implementation Agreement, which resolved NCN’s outstanding claims (under the Northern Flood Agreement) arising from the Churchill River Diversion, presented NCN with a unique opportunity. Article 8 (future development) was inserted, which in essence mandated that any future development take place with the full understanding and cooperation of NCN. According to Thomas (2004a) the partnership is meant to address two challenging areas. In terms of the land, Thomas has indicated that there are no mineral resources, but there is a water resource – a source of revenue, which can be developed without damage in a relatively remote area. The second challenge involves the people of NCN and the need to develop what Thomas referred to as “business attitudes in preparation for the knowledge economy.”

NCN and Manitoba Hydro began preliminary negotiations for the proposed Wuskwatim hydro project in 1997. After tireless negotiations the community’s ownership level in the project rose to 33%, from an initial offering of 10%. From the perspective of Manitoba Hydro, the proposed project is a business opportunity – not a gift - with a sincere desire to treat the community and its members, properly (Thomas and Kustra, 2003).
**Advantages of project**

During conversations with NCN Councillor W.E. Thomas and a representative of Manitoba Hydro, Ryan Kustra, over the past year (2004a; 2004b; 2003), they spoke of their hope for the young people of NCN that if this project should go ahead, it will create a brighter future. While the project is ‘modest’ in terms of hydro development, it is ‘large’ in terms of opportunity and the overall cooperative approach.

As well, the following benefits are contemplated: 1) minimal environmental impact; 2) better training and education during the construction phase and beyond, including 81-93 jobs for NCN members during the initial two years of construction and 80-113 jobs during the remaining four-year construction phase; 3) new employment and business opportunities to improve infrastructures; and 5) it is expected that by 2035, after the loans are paid off, NCN will gain between $27 and $59 million each year.

Thomas also spoke of seven tangible benefits that the proposed partnership has achieved to date, including: 1) 30 jobs for community members in the NCN Future Development Office; 2) the decision to proceed with a low-head design for the dam, meaning less power and less revenue, but more importantly less severe flooding; 3) a preferred location for the work camp and access road to the dam site; 4) funding for the ATEC training centre; 5) reconstruction of the access road into NCN from provincial road 391; 6) the use and recognition of traditional knowledge alongside western scientific knowledge; 7) partnership for the environmental and regulatory approval process.
Analysis

Regardless of what your position is on new hydro development, this writer welcomes the debate surrounding Wuskwatim, as it is long overdue when it comes to resource development – and hydroelectric development in particular - in this province.

The Conference Board of Canada (2001) noted that Aboriginal interests have long been pushed to the margins of Canadian economic activity. They make an argument for developing relationships of an economic nature with Aboriginal businesses, individuals and companies.

Sawatsky (2004) found that the term partnership can be applied to a variety of arrangements but at times this has resulted in subordinate relationships being called partnership relationships by the dominant partner to improve their own image.

Dr. Peter Kulchyski, Department Head of Native Studies at the University of Manitoba, and a member of the Manitoba Research Alliance, has raised many important questions about the proposed project in terms of power, involvement, and Native peoples as keepers of the land (Kulchyski, 2004). To the best of my knowledge, these questions remain unanswered, perhaps because they have no answer, or perhaps because it is easier to not answer them. During my research, when I asked the NCN Band Councillor W.E. Thomas to respond to some of these criticisms, he would only say to me that the department head is entitled to his own opinions, “as misguided as they are” (Thomas, 2004b).

Another group asking questions are the Nelson House Justice Seekers, a community-based group organized and led by Carol Kobliski. The group is not opposed to hydro development provided old claims are first settled, and continues to drive many
thousands of kilometres to attend hearings and presentations in Thompson and Winnipeg and educate people about the group’s concerns with the project. The process has not been a friendly one; for example, at the CEC Hearings in Thompson in late March, the only time the discussions taking place in southern Manitoba came anywhere close to NCN, virtually the entire hearing took place in English, with no provisions whatsoever for Cree until it was brought to the attention of the Commissioners.

In terms of community economic development, it would seem that the potential job creation arising from the construction phase of both the project and the ATEC education centre is the most notable. It appears as though the numbers are in a constant state of flux because a quick look at the NCN Website reveals that more jobs are going to be available in the summer season than in the winter. As well, during the busy season, the workforce could reach 540 workers, but drop off dramatically for the slower periods with a maximum of 370 workers. Perhaps when the Project Development Agreement (PDA) is finalized, this matter will be clarified once and for all.

With regards to the ATEC Training Centre currently under construction, a press release on the NCN Website suggests that the project is supposed to create training and employment and is expected to contribute around $500,000 to the local economy through business and employment opportunities.

Overall, the Wuskwatim project seems to represent an investment in jobs, training, and business opportunities during the construction phase. It also represents profit generation activities to sustain the community.

From my experience interviewing and listening to members of the community – virtually all of whom did not want their names used in this research – there is also a much
darker side to the Wuskwatim project debate. Each person I spoke with was wary of new hydro development, but generally supported the planned Wuskwatim project provided old grievances were first addressed.

During my time in NCN, many individuals expressed deep concern and frustration over the process that has been taking place, noting that it does not seem to be community driven, with the entire decision-making ability taking place in the hands of very few. They spoke of meetings where they were denied the chance to speak, to fear and intimidation tactics, including the threat of job loss if they speak their minds. It is worth noting that virtually everyone I spoke with were not opposed to hydroelectric development in principle, but merely the process the Band Council has chosen to follow.

Some of the opposition to the proposed project may stem from problems with the community’s governance. According to Kulchyski (2004), the Indian Act provides the community with a ‘custom system’ that is essentially a community-determined electoral system with a constitution that provides for an Election Appeals Committee. An elected Chief and 6-member Council who serve 4-year terms govern NCN.

From informal, separate discussions with Chief Jerry Primrose (2003) and Band Council W.E. Thomas (2004b), I was told that the decision making process in the community involves the leadership consulting with the community on issues until the final decision is reflective of the majority viewpoint. However, after speaking with residents (who wished to remain anonymous and who are not involved in the decision making of the community), a different picture emerges of a system of governance that is being subjected to outside pressures for rapid decisions on issues relating to the proposed
Another source of unease is the most recent Band Council election, held in 2002. Kulchyski (2004) found that the Nelson House Election Appeals Committee recommended another vote should take place, after several individuals not eligible to run, did so, in effect splitting the vote. The dispute was settled in Federal Court (Primrose v. Spence, 2003) and the election results were allowed to stand but it has only further alienated an already divided community.

I have many questions about the project, primarily regarding the financial risk that the community may take on in order to be a partner in this project. That financial risk will be one-third of the nearly $1 billion dollar price tag. That is an awfully large amount of money for any organization to commit to, and I have deep concerns over the length of time it may take to repay this share to Manitoba Hydro, who are lending NCN the money. Not only am I concerned about the amount, but what this will mean for CED initiatives in the community when such a large amount must first be repaid.

As well, the agreements that have been negotiated – An Agreement in Principle (2001) and Summary of Understanding (2003) that outline where NCN and Manitoba Hydro stand, are vague at best. Environmental protection does not appear to be a main concern, while meetings can take place without Cree representatives present (SOU, 2003). These are but two concerns with the process.

I continue to try to look for positives in the fact that at the very least, Manitoba is slowly changing its ways and is at least involving the Aboriginal people in the decision making process, a process that has its flaws, but still being undertaken together.
The Wuskwatim project represents many things to many people. It is the first in a series of planned developments; it is a vision for the future of resource development in Manitoba; and a rallying point for the need to address outstanding claims before moving forward. From my perspective, it seems to hold such potential to truly change the ways of the past, if only those who are in charge would listen to the criticisms and work to address them, not dismiss them.
References


Dumas, W. (2003, 12 Nov.) [Personal communication.] From notes taken during a conversation with Dumas, who hails from NCN and is the Aboriginal liaison with Mystery Lake School Division in Thompson, Mb.


Primrose, J. (2003, 16 September). [Personal Communication]. Jerry Primrose is the Chief of Nisichawayasihk Cree Nation. I spoke with him during my initial visit to the community.


