

PART ONE

People: Social and Economic Concerns



1 Introduction: The Need for Balanced Development

Government policy for the economic development of the North has focused on extractive or non-renewable resource industries. In Volume One I discussed the difficulties resulting from this policy, and argued that the development of the northern economy should not be based exclusively on large-scale non-renewable resources. The same point may be expressed in terms of choice or options: economic development that is in the best interests of northerners will offer greater variety than the single possibility presented by industrial advance based on non-renewable resources. If the pipeline — the largest industrial development project ever proposed for the North — is to be in the best interests of northerners, a condition of its construction must be the prior adoption of other forms of development. In this way, the native people will be able to maintain the economic and cultural forms they regard as their own; they will not be forced into adopting an economic mode and a way of life that they may not want. Only by accepting this condition can we avoid aggravating the social and economic impact of pipeline construction.

Let me be clear about the implications of this position. It presupposes the continuation of the kind of economic development — mining and oil and gas exploration activity — with which the northern frontier has for some years been associated; more specifically, it presupposes that, in due course, there will be a gas pipeline and an energy corridor along the Mackenzie Valley. But these would not be the only forms of economic development: the development that would result from the pipeline and related activities would be balanced by a parallel development of the renewable resource sector of the economy. Many potential large-scale industrial developments in the North would be site-specific and, once established, they would offer employment opportunities at only a few locations. But if that is to be the only kind of development, the social and economic impacts of such activity will be magnified throughout the entire region: native people will be drawn to it for want of any alternative, and the social and economic consequences will proliferate in communities and families far from the project itself. Only balanced

economic development can ameliorate or avoid such effects. It is, therefore, vital that development of the renewable resource sector be given priority now. If it is not strengthened and thriving by the time a pipeline is built, native people will not be able to withstand the impact of the pipeline project and all that it will entail.

Non-renewable resource industries, including the oil and gas industry, sometimes produce uncertain and sharply fluctuating patterns of economic growth. Northerners must be protected, so far as is practicable, against the impacts of such uncertainty and fluctuation — another compelling reason for insisting on the development of an alternative, long-term and stable renewable resource sector. In addition, as the evidence referred to in Volume One shows, there are historical and cultural reasons for thinking that native people consider the land and its renewable resources to be of special importance to them and to their children.

All of these considerations demonstrate the importance of a mixed economy in the North. My report accepts the view that the development of Canadian frontier gas and oil is in the national interest, but if such development is to take place with the least disruption of native people and native society, it must be preceded by the development of its alternatives. Because alternative development has for so long been neglected, it must now be given priority. The social and economic recommendations made in this volume are designed to ensure that a Mackenzie Valley pipeline will come at a time when it will confer tangible economic benefits on the North and when its social impact can be mitigated.

Nonetheless, we must be aware of the problems that may be created by the potentially intensive effects of any large-scale industrial development. Its volatile patterns of growth, strongly-formed work conventions, and its effects on both local environment and local society, mean that the future relationship between the renewable and the non-renewable sectors of the northern economy will not be simple. Rather, that relationship must seek to minimize the direct dependence of the renewable upon the non-renewable resource sector, otherwise the whole renewable resource sector would

be continually vulnerable to the economic interests and activities of the South. Development of the renewable resource sector must therefore aim at some considerable degree of independence from the non-renewable sector. In the following chapter on Renewable Resources, I consider some of the specific problems and possibilities to which this consideration gives rise.

Two Philosophies

Before turning to specific socio-economic considerations, I would like to make very plain the contrast between two philosophies of northern development. This subject, which was raised in Volume One, bears directly on the nature of the terms and conditions that should be applied to social and economic impacts.

On the one hand, there is the well-established opinion that large-scale industrial development will bring the benefits of employment opportunities to all northerners. It is a point of view that emphasizes both the failures of the past and the possibilities of the future. The proponents of the philosophy concede that large-scale industrial development, both in the North and on other frontiers, has not always led to the employment of large numbers of native people or to their overall economic advantage. This failure has at times been regarded as lamentable, but as something that appropriate governmental intervention could set right. In other words, this philosophy emphasizes the economic potential of large-scale industrial development, and turns us towards terms and conditions that would guarantee the realization of that potential. It turns our attention towards ensuring that native people take their place at the industrial frontier, and it has led to a consideration of manpower delivery systems and of ways to provide the northern businessman with special preferences in connection with pipeline construction.

On the other hand, there is a philosophy of northern development that emphasizes the importance of the native economy and the renewable resource sector and the wishes of the native people themselves. It was this point of view that I emphasized in Volume One. This philosophy causes us to re-examine the conventional wisdom regarding the benefits that are always assumed to accompany the advance of the industrial system to the frontier. It is skeptical of the advantages to native people of large-scale industrial development and it urges us to strengthen the native economy and the renewable resource sector, including logging, sawmilling, fishing, trapping, recreation and conservation. It advocates the removal of all impediments to the development of renewable resources and the modernization of the renewable resource sector, with a view to securing the basis of the native economy for the future. This philosophy does not reject oil and gas exploration and the pipeline. Rather, it holds that a pipeline should not be built until the strengthened renewable resource

sector is in place and that, in the meantime, oil and gas exploration should proceed in an orderly way.

Advocates of the first philosophy often insist that the second is the outcome of sentimentality. But, as proponents of the second philosophy have pointed out, a policy of economic development in the North that ignores native society and the native economy must inevitably undermine that society and that economy. This neglect of the renewable resource sector forecloses the possibility of developing over time a truly diversified northern economy.

Since the publication of Volume One, I have often been asked why I place so much emphasis on the native economy, and on the renewable resource potential of the North. The answer is clear enough: the objective of northern development should be parallel economic sectors — large-scale industrial activity, where and when it is necessary and appropriate, co-existing with continuing development of the native economy and the renewable resource sector. But where the two economic forms exist side by side, it is the renewable resource sector that is likely to be at risk: large-scale industrial development in the North intrudes, often totally, on native peoples and their way of life. To ensure parallel development, the renewable resource sector, which has been neglected, must be defined. The point is that undue policy emphasis on the non-renewable resource sector results in undue dependency on that sector. Unless priority is given now to the renewable resource sector, the mixed economy of the North will inevitably evolve into a single, non-renewable resource economy. This kind of monolithic economic mode is not what native people want, nor, in my judgment, what most northerners or, indeed, most Canadians want.

Various Project Situations

It is important that parallel development be applied throughout the North, but we must not forget that circumstances differ from place to place, and that future development will not follow the same course in every part of the region. In particular, I have in mind the differences between the Mackenzie Valley and the Mackenzie Delta. Although I have argued for a ten-year postponement of pipeline construction along the Mackenzie Valley, I have anticipated that the search for resources in the Mackenzie Delta and the Beaufort Sea will continue. It is also possible that other exploration activities will take place in the Western Arctic, and that these activities will be acceptable to some of the native communities in the area. We must recognize that large-scale industrial activity in the Mackenzie Delta has come to stay, but we should try to limit the impact of such developments to Inuvik, Tuktoyaktuk, and the Delta, and not let them extend to the smaller communities on Amundsen Gulf. Therefore, our consideration of terms and conditions should take into account the differences in the prospects for these two areas.

Similarly, there are important differences between the larger centres, which I call action communities, and the small villages. In the larger centres there are communities of businessmen, predominantly white, and they should be the beneficiaries of certain preferences if northern business is to enjoy a reasonable measure of growth and expansion as a result of pipeline construction. I make certain recommendations in this regard in Chapter 5.

There are other differences that directly affect the native people and the kinds of future they are likely to want. In the larger and economically more developed communities, such as Hay River, Yellowknife, and Inuvik, native people do use and, in varying degrees, continue to depend upon the land and its produce. But their dependence upon wage employment — including employment by local, territorial and federal government, as well as industrial employment — is in some cases high. In the smaller settlements, dependence upon the land and its produce is greater, and development of the renewable resource sector there will be of great importance. Chapter 2, which pertains to the measurement and development of renewable resource potential, has important implications for the economic life of all the communities in the region.

The Past and the Future

The various philosophies of northern development have, of course, been reflected in different accounts of northern history: our views of the past are — perhaps inevitably — closely related to our broad views and concepts of human well-being and human purpose. Evidence given to the Inquiry showed repeatedly how differences in philosophy can reveal themselves. At times, these differences resulted in conflicting, if not opposing, conclusions, and there were profound disagreements on how events had shaped the northern scene — especially with regard to native people in recent times.

It is never easy to stand aside from differing interpretations of historical events and assess, from an informed but neutral position, their appropriateness and their implications. But, within the several historical overviews, there are, I believe, some crucial areas of consensus, and these areas relate to the domination of native society by white society.

Although the relative advantages and disadvantages of the fur trade have been judged quite differently by various historians of the North, they all more or less agree that the white presence — from the missions and fur trade to the advent of industry and the proliferation of government institutions — represented, and continues to represent, a domination of native society. Moreover, historians also agree that there is an intrinsic relationship between this domination and the cluster of social pathologies and economic difficulties that native people have experienced especially in recent years. This consensus, in relation to both dominance and its consequences, was epitomized in this way in the submission of Commission Counsel:

At both community hearings and in the form of overview evidence, this Inquiry heard many accounts of recent northern history. These suggested that dominance of native northern society by southern interests has constituted a pervasive and persistent problem, only marginally compensated for by the provision of a certain level of economic (as distinct from social) stability, and some well-intentioned ... support schemes. [Commission Counsel, 1976, "Basic Issues," p. 1]

Although witnesses did not agree on how best to resolve the present difficulties in the North, by and large they did agree that southern intrusion into and domination over northern social processes have generated serious problems. A number of these problems were mentioned repeatedly, and were, therefore, central to the arguments in Volume One: alcohol, violence, inter-generational strife, and some distinctive forms of individual disarray. It is, of course, extremely difficult to articulate the precise forms of such pathologies, and still more difficult to identify their precise and immediate causes. Insofar as experts have sought to identify the causes, they have pointed to the domination of native society by white interests; they have pointed equally to the speed of social change and to the difficulty native people inevitably experienced in trying to comprehend and adapt to the resulting transformations in their lives. A lack of control over their society and their economy lies at the heart of many of the social and economic difficulties.

It follows that, in seeking to resolve the difficulties, and to ameliorate or eliminate the real problem, we must focus on the question of fundamental social, economic and political relationships. If we do otherwise, we obscure the real issue and make believe, so to speak, that band-aids can cure illness. Thus the proposals made in this Part — indeed in this volume — should be read with the knowledge that there is a fundamental need to establish new institutions in the North. In this way, we can attack the problems of domination and begin to move towards the fundamental causes of northern malaise. The settlement of native claims offers the means to achieve this.

Unless the native peoples and other long-term residents of the North believe that they have and do, in fact, have a major role in the decision-making process, the old relationships will persist: no amount of short-term ameliorative measures will even begin to reverse the social and economic trends that I have identified in this report and that I have seen so often during the course of this Inquiry. Endorsement of this principle does, of course, mean acceptance of and confidence in the northern peoples themselves. We can ensure that appropriate southern skills and resources are made available in the North, but it is not for us in the South to say what native peoples should do about their society and its difficulties. If new institutions are properly structured, control of society will be accompanied by the identification and control of the society's problems. Many of the specific terms and conditions proposed in this volume cannot properly be

considered until new institutions are in place. In this way, the historical tradition of dealings between white and native people on this continent will, for once, have been broken. This

is the only means by which the basic causes of socio-economic and individual malaise in the North can be addressed.