

**Speech to CFAR Society**  
**Circle for Aboriginal Relations**

**Presented by Blaine Favel**  
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**Check Against Delivery**

- Good Morning to the Elders, Chiefs, Distinguished Guests and my friends.
- I am pleased to be here today as the work of this organization is critically important to the future of Canada. I would argue the policy and economic considerations under discussion are perhaps the most compelling issues facing the Nation as they intersect at the cross roads of social policy, economic growth, justice and globalization.
- I noted with interest the current Alberta trade mission to China reported in the Edmonton Journal. In that mission, senior executives and government officials from China noted their nation's intense desire to multiply their investment in Canada's energy industry.
- The caveat on this investment however was whether the proposed Gateway pipeline would proceed to development as the Chinese saw no upside in making billions of dollars of investment in stranded assets. This puts the role of the First Nations community along the route, and their unified rejection of the pipeline, at the centre of the globalization issue.
- This is not the first time the indigenous peoples of the America's have been at the centre of international trade. The rise of Spain after their arrival in the Americas on the looted gold of the indigenous peoples of the Americas, or the wealth generated in Great Britain following the fur trade was made on the sweat and toil of indigenous peoples.
- However what makes the debate of the Gateway Pipeline unique is that First Nations peoples, perhaps being mindful of the great wealth that has left these lands are taking a stand in opposition to development. Whether this opposition is vested in economics, the environment or is a manifestation of frustration at government policy, the resolution of that

crisis will have profound implications for the people in this room, the economy and Canada.

- I would like to thank CFAR for the kind invitation to speak this morning, and will speak of three themes this morning. The first will cover what I personally believe are some of the drivers behind First Nations realities today, and why at times there is a disconnect with the capital markets and the ambitions of industry. They are my personal views only and reflect only my observations and experiences.
- The second theme will encapsulate what I believe are some lessons I have learned in my years as an entrepreneur and leader. I have utilized these lessons in the building of One Earth Farms, an exciting project which is dear to my heart and I believe can be instructive to Industry – First Nations partnerships.
- Lastly, I will offer up some suggestions on the journey which lies before us, and offer some ideas on possible scenarios which can bridge the obstacles we face.
- I mentioned that I would speak of “disconnectedness” as between Canadians and First Nations peoples. This disconnectedness is manifest in our world views, our understandings of the past and our understandings of our current relationships.
- I have had the incredible opportunity to speak to wide swaths of Canadians and am constantly impressed by the ignorance generally held by Canadians to First Nations history, culture and legal reality. I recall being in a 1<sup>st</sup> year property class in law school and a wonderful professor named Bev Baines started out our very first class with the statement, “property in Canada is vested in her Majesty the Queen”.

- I put up my hand and asked “where did she get it?.” Professor Baines, being the lady of integrity she is, answered, “I don’t know”, and abruptly stopped and cancelled class. Although there was booing and hissing that followed, to her credit she amended her curriculum and began with First Nations rights and treaties.
- As a young lawyer I was always fascinated with the legal fictions that were created by the Canadian legal system to justify the dispossession of First Nations peoples of our lands. One such concept was that of “terra nullis”, which in effect meant “vacant land” and that no one was here, therefore it was ok to move in.
- One book I encourage all audiences to purchase is the book “1491” written by the science author Charles Mann. In this book, Charles Mann reviews the scientific results of current anthropological and historical materials to imagine how life was the year before Columbus arrived in the Americas.
- His conclusions are sweeping, he estimates that at the time of contact there were 100 million indigenous peoples in the Americas, that 90% of our vegetables on today’s tables were being harvested here then and that the Incas, Aztecs and Mayans were centuries ahead in mathematics and astronomy.
- Sadly at the time of contact, Indigenous people did not have the immune system of Europeans, Asians and Africans for diseases which were transferred from pigs and chickens to humans. We only have to think about the recent panics we all faced to re-emergence of the swine and bird flu in the past 5 years to appreciate the virulence of the plagues these diseases unleash.
- Charles Mann quotes from the first sea captains journals which reported that you could not travel down the coast from Boston to Florida without

seeing bonfires of massive villages in sight all along the coast. Five years later, it is reported by ship captains that these same villages were deserted with over grown gardens and corn fields, all the people died.

- Charles Mann and other academics quoted estimate that 95% of all indigenous peoples died of diseases in the decades following contact. In fact when Captain Cook first sailed up the coast of British Columbia, his journals report encountering villages of dead people, victims of a smallpox epidemic which originated in Mexico City.
- Another historical misunderstanding is about Treaties and what they represent for First Nations peoples. In order to understand this misunderstanding about the “spirit and intent” of what Treaties mean, we have to appreciate how our people view the earth and the environment.
- In my language, Plains Cree, the earth is our mother and we call her “Kikow-we-now”. She is a sacred object and the life forms she blesses us which provide our sustenance also have their spirit, and are also a gift from the Creator.
- In signing Treaties, there is consistency across all First Nations Elders and historians that in no way was this a typical purchase and sale real estate transaction. It was impossible for the signators of Treaty to imagine selling the earth, and all understandings of our Elders was that we agreed to share our land, and only to the depth of a plow.
- In negotiating Treaties our people sought assurances that in exchange for sharing our lands, First Nations peoples would be provided tools and opportunities to educate our people and become industrious in the new economy. Farming equipment and school houses are negotiated, promises of health care and exemptions from military service and taxation are offered by Canada and accepted by our peoples.

- In no way did our people seek dispossession of our traditional lands, nor did we seek welfare or an inability to make a living by being kept separate from the economy. I deeply believe that our Chiefs and grandparents who have since passed burn with rage at how their children and grandchildren were treated, and in exchange made Canada one of the wealthiest countries in the world.
- In my opinion, there have been four distinct blows experienced by First Nations which have contributed to the distrust First Nations have of industry and Canada, and the crushing poverty and sadness which comes with abject social conditions.
- The first blow, and one I did not fully appreciate until I became Chief of Poundmaker Cree Nation is the legacy of residential schools. As a young Chief, one of the committees I had to participate in was called the “Inter-Agency” committee which brought together the nurses, social workers, police and educators of the community to discuss families and individuals who were in crisis.
- Whatever the hurt and trauma we were dealing with, we could find a virtual straight trail of abuse that led right to the doors of the residential schools.
- It bears repeating that children were taken from their parents, homes, and from love and safety, as early as 5 years old and forced into an environment of physical and sexual abuse, hunger and deprivation. The harm these individuals experienced was scarring for life and many succumbed to addictions and suicide. Those that survived carried pain and dysfunction back into their communities and families. And this went on for generations of people.

- If you want to deliberately mess with a peoples spirit and survival, I can think of no better method than residential school.
- The second force which has delivered trauma to our communities were those government policies designed to keep First Nations peoples separate from the economy and wealth creation. As noted from Treaty negotiations, First Nations people were self-sufficient and wanted to preserve their self sufficiency by seeking tools and education to survive in society. Although some of these policies of economic separate-ness are historical, some of these policies, such as patronizing “duty to consult” policies by certain governments continue to give life to this reality.
- One example which I discovered in the establishment of One Earth Farms was the reason why there are clauses in the Indian Act preventing First Nations people from leaving the reserve, and making it a crime for people to purchase goods from an Indian.
- These clauses were not made into the law of Canada for the benefit and protection of Indian people. Following the settlement of the prairies, First Nations peoples turned quickly to agriculture and were successful. Examination of the Hansard, the parliamentary record for legislation notes that First Nations peoples were adapting too well and were hiring recent immigrants to work on their farms. This did not jive with the plan of winning the west.
- Community farms belonging to the Blood Tribe and tribes in the Qu’Appelle Valley were disbanded due to this success, and the Assistant Deputy Minister Hayter Reed outlawed that modern farm implements be made available to Indian people, and deemed it government policy that First Nations become “peasant farmers” with only rakes and hoes.

- Much of the sad chapter in Canadian agriculture is chronicled in the book by the Saskatchewan academic historian Sarah Carter, entitled “Stolen Harvests”. This economic exclusion has been manifest in many other industries but organizations such as CAFR are helping to reverse this exclusion.
- The third negative storm which has plagued First Nations communities was the forced imposition by Canada and Indian and Northern Affairs of social assistance as a matter of right. My father was Chief in the early 1970’s and he refused to allow welfare to come on to our reserve, a battle he ultimately lost as he was fearful of creating people who did not value work-skills and self-sufficiency. As I stated before, in the history of the America’s there was never a request for welfare or dependence, our people have a legacy of industriousness and hard work.
- Finally, the fourth element which has been the cause of the first three negative forces is misguided and short sighted government policy. Policies of Indian and Northern Affairs which today makes it difficult for First Nations to advance in asserting jurisdiction over their communities, and somehow thinks it’s a good idea to fund First Nations schools at 50% of the level provincial schools receive.
- What is most ironic is that much of the solutions which offer hope for a renewal of our people rest in the Government of Canada pursuing policies which are far sighted and grounded in advancing First Nations peoples into the economy.
- As stated in my opening, I believe that the ambitions of First Nations peoples are to be achieved by large part through the building of our economies and competing in the economy. The Globe and Mail has run a number of features on the implications of Globalization and I read with

interest a recent article which articulated that globalization has done more to pull the Third World out of poverty than decades of the delivery of aid. There is a lesson we should observe.

- In my experience and in those of the Chiefs I have met, the building of sustainable businesses, the creation of employment and participating in the local economies are a dominant theme. I believe one of the most exciting developments for First Nations over the last two decades has been the focus on growing economies and wealth creation.
- A recent project of which I am proud is One Earth Farms, which was initially funded by Spratt Resource Corporation and Chaired by the founder of the Spratt brand Eric Spratt. I have worked with the Spratt team for the past three years and the mandate I was given was to create new opportunities to partner with First Nations and develop “best in class” partnerships in the commodities sector.
- When we considered that First Nations peoples in western Canada are the largest owners of vast tracts of lands, and that no tribe was effectively farming their lands, I was asked to establish a partnership across many First Nations to build a powerful farming enterprise.
- From our commencement of operations three years ago, we have grown from an oddity, farming 14,000 acres, but nursing big ambitions. This year we will seed 120,000 acres of land and run 10,000 cattle on another 100,000 acres of land making us the largest farming enterprise in Canada.
- 60% of our employees are First Nations and we have established training programs to recruit and train as many as we can. I firmly believe we can become a global force in agriculture and am very optimistic about our future.

- So how did we get to grow to be Canada's largest farm within such a short period?
- When I first assessed the state of First Nations agriculture, it was very strange to consider the largest owners of farm land in western Canada were entirely removed from this important industry. There were no First Nations peoples farming their lands on a large scale, no ownership of related businesses like implements or chemicals dealerships and no visibility.
- One Earth Farms put a value proposition forward to the tribe that had the following key elements:
  - Fair Market Value for Lands
  - Environmental Sustainability in Farming – annual reports
  - Training and Employment opportunities
  - Grants of Equity into OEF consistent with the quantum of acres leased
  - Pursuit of procurement and strategic investment opportunities
  - Respect for the culture and integration to the community.
- As we finish putting in our third crop and we look to possibly doubling our acres next year, it is realistic to think that we will one day be farming over a million acres of cultivated land and First Nations will emerge as a powerful force in agriculture.

- One Earth Oil and Gas, my current company is focused on replicating the business model we generated in agriculture and is designed to offer the highest value opportunity to First Nations in the energy sector by helping them grow and develop their resources under the umbrella of their own oil and gas company.
- The key element in both companies was recruiting and bringing in top level management who lived life with a bit of a balanced scorecard, where financial reward was also complimented by a desire to take on new challenges which also resulted in societal good.
- So where does all this motion and energy on these issue leave us as you debate and discuss them over the coming two days?
- I suggest some of the initial take-aways are as follows:
  1. The First Nations community will continue to grow in acumen and success and will lever greater economics from future projects.
  2. That Canada has been absent from the file in a substantive fashion on the duty to consult and accommodate, and in supporting First Nations development.
  3. Canada and Provincial governments need to be creative in both tax and regulatory policy if they truly want to see these mega-projects such as the Gateway Pipeline advance.
  4. That as this economic space continues to evolve, the amount of progress that industry and First Nations has made in this past decade will be dwarfed by the success we are about to witness.
- As for the people whose job it is to work in Industry and reach out to the First Nations community, I think the take aways are those we learned in building the One Earth brand. In no particular order, I think the following elements are key in building a strong relationship with First Nations.

- Build trust and be honest
  - Find opportunities to create wealth for First Nations through partnership
  - Environmental sustainability is key
  - Develop strong training and employment opportunities
  - Advocate with government for more progressive policies as they impact First Nations.
- I firmly believe that the abilities and opportunities for First Nations to assert themselves into the economic discourse of Canada will get stronger in the coming years.
  - I believe that every occasion should be afforded First Nations to become equity owners of projects in their territories. I will use the Gateway Pipeline as an example as its importance to the oil sands and continued investment in Alberta is significant.
  - One possible solution to the Gateway Pipeline and other large infrastructure projects is to have government play a more active role in creating opportunities for First Nations equity ownership, and in doing so should look to the companies obligations on remediation as an example.
  - A combination of governments creating economic room by allocating some of their taxes on projects to host First Nations, and having industry pay into an account which contributes to First Nations equity like they would for project remediation. I see no reason why First Nations, and other Aboriginal groups cannot own 100% of large infrastructure or power projects as they have an ability to attract significant financial leverage from banks. There is relatively low risk in ownership of infrastructure, and long lived stable equity cash returns.

- I believe in creating economic space for First Nations peoples and businesses so they can compete. To take these steps will require tremendous vision by Canadian politicians but I frankly see no other way out of poverty and economic disengagement by First Nations.
- One example where space could easily be created is in the supply management system for eggs and dairy production. The supply management system was created 40 years ago and unless a farmer has a licence to sell these products from the appropriate provincial body, they cannot operate in this space.
- These licences, or quota as they are referred to as, allow producers to guarantee a rate of return on production, similar to the pipeline or electrical transmission systems. When the dairy and poultry farmers received their quota, the licences were free. However as consequence of a government guaranteed rate of return, a 200 cow dairy operation will cost you \$13-14 million dollars, however \$10 million of that is for the licence.
- 40 years ago, 60,000 licences for dairy production were issued in what has become the largest agricultural industry. Guess how many went to First Nations?
- What's ironic about dairy or chickens under the supply management systems, is that they are managed by provincial marketing board which have no authority on reserve lands. I foresee a jurisdictional battle looming.
- So am I dreaming when I say that economic space should be created by using the tax code or creating economic space through licences for First Nations groups? There are some noteworthy international precedents to consider.

- In the USA, companies that partner with Native American Tribes who are bidding on government procurement contracts are awarded tax exemptions. As a direct result, many new ventures have been established in all sectors of the economy.
- In New Zealand, the Maori have set aside rights for development of dairy which they parlayed into a significant interest in an international dairy supplier known as Fonterra.
- As we enjoy this beautiful hotel here today, the advent of Indian gaming would not have occurred unless then Saskatchewan Premier Roy Romanow looked south to the USA as a precedent to create jurisdictional space for First Nations gaming. Gaming has produced thousands of jobs for First Nations peoples across Canada and has made them a force in the entertainment industry.
- I believe the greatest national good which can occur is the deliberate creation of economic space by the federal and provincial governments which can allow First Nations industry to flourish. Although there are many social justice issues which require urgent attention, such as the water crisis poisoning our communities or the knee-capping of generations of young learners by funding them at 50% of a provincial school, I believe the answer lies in building economies.
- And in building economies, we cannot achieve change through incrementalism, in arguing whether a company has achieved their duty to consult obligations by coming to a First Nation to visit, and say, “Hi we are going to be building roads, pipelines, power projects”. This is nonsense. It is reading from the same playbook which created residential schools and poverty.

- Its time for some new plays to develop, and new ways of analyzing problems. First Nations people are as sophisticated as any other group, have the same advisors and have the same opportunities to tap into the capital markets as any enterprise does.
- I for one am optimistic about Canada, and am optimistic about our people's ability to move themselves forward. Canada has a dark and regrettable past in its interaction with First Nations, I would hope that future decisions are made based on hope. I think we can build a country where all can be proud.
- I encourage the participants in this room to think outside the box as you propose policy and economic recommendations to your colleagues in business or government. I believe your recommendations and vision of where these issues should grow to be the important ingredient in the Canada of tomorrow.
- In closing, I will share a personal experience which I have carried with me these many years. When travelling across the province of Saskatchewan opening the Casinos we had won in hard negotiations with the provincial government, I ended up in Prince Albert one evening with the honour of cutting the ribbon on the Northern Lights Casino which already had been in operation for a month.
- I was approached by an older gentlemen with white hair who introduced himself as principal of an inner city elementary school who wanted to shake my hand and thank me for opening the casino. He described how the young Indian children, whose parents were previously unemployed, were now coming to school with new running shoes and lunches. He humbled me by sharing the happiness and new confidence these young people had.
- If you take one sentiment away from this conference, take this one. That what emerges from these conference rooms matter. That these young

people living in poverty deserve a chance at happiness and our people deserve, and will continue to forcefully advocate for justice in development of resources on our lands.

- Thank you.