

**LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
5TH COUNCIL, 30TH SESSION**

**RECOMMENDATION TO COUNCIL
NO. 10-30**

TABLED ON JUNE 14, 1965



9 June, 1965.

NORTHWEST TERRITORIES

RECOMMENDATION TO COUNCIL NO. 10
(Second Session, 1965)

ECONOMIC DEVELOPMENT - UPPER MACKENZIE

DISPOSITION

Accepted ~~as amended~~..... JUN 23 1965.....
Amended..... See Text
Rejected..... See Text
Deferred..... See Text
Not considered.

ECONOMIC DEVELOPMENT - UPPER MACKENZIE

At the last session, Council requested that the administration assess the Economic Development Project underway at Fort Resolution and the possibilities of initiating similar programs in other areas. The project at Fort Resolution was undertaken as a result of a recommendation by two officers of the Co-operative Union of Canada, hired under contract to do a survey in the Great Slave Lake area with a view to locating possible development programs. The report of these two men was received by Council and debated. As a result, the Commission entered into a contract with C.U.C. to commence a program of economic development at Fort Resolution.

Under the terms of the contract, the C.U.C. recruited Mr. G. Malin who arrived at Resolution in October of 1964.

The report of the area survey officers indicated that there were several activities which, if organized, would have immediate effect on the economy of the area. These included fishing, fur trading, handicraft production, and lumber. Before any active organization was undertaken by Mr. Malin, he concentrated on getting to know the people and, letting them get to know him. The local population at Fort Resolution were not inclined to give their trust or confidence to a new "white man" who appeared literally out of the blue with great plans to change their whole way of life. After two months of gathering together in organized and unorganized groups, Mr. Malin felt that he could proceed with an organizational structure. Thus, early in January 1965, he had an opportunity to show the people of Fort Resolution how, by working co-operatively, they could undertake a task which was impossible for any of them individually.

At that time, a tender was called by the Department of Transport for brush clearing at the local airport. Primarily at the instigation of Mr. Malin, twelve local men (eight Treaty and four non-Treaty Indians) bid on the contract and were the successful tenderers. Although there is no official confirmation, officers of D.C.T. believe this is the first time that their Department has entered into a contract with a group of Indians. Work progressed favourably until April when the group's enthusiasm was dimmed by the long delay in receiving their cheques. In one instance, a progress payment for the period ending March 31 was approved April 9, but payment had not been received as of May 1. As a result, three or four of the original group resigned, although replacements were recruited. Unfortunately, the dry spring meant that burning permits were not issued after May 3 and there will be a problem in connection with the completion payments for the contract. It can be seen that this contract was not an unqualified success, and although the weather was against the group, Mr. Malin believed that the most discouraging aspect was the delay in payment. Every effort is being made to rectify this situation.

Another group of local people received some employment constructing a fire break around the village, but this operation also had to be stopped in May because of the fire hazard.

The main activity undertaken at Resolution revolves around the lumbering operation. The availability of timber, a reasonably close market and a partially experienced labour force indicated a lumbering industry could be successful. Several men in the Resolution area had previous experience working for commercial operators in the upper Mackenzie region. This meant that basic training was not required although a certain "breaking-in-period" would be necessary. Once again, unfortunately, the optimism of the people involved was not wholly justified. The availability of local timber was not as assured as was originally thought. A great deal of the most immediate stands had been

"high-graded" and what was left represented at best a salvage operation. However, by going farther afield, suitable stands were found and reservations applied for. A lumber mill was rented from the Indian Affairs Branch and another from the Department of Northern Affairs. A milling instructor - manager was hired and after the usual pre-production delays lumber was finally being produced. At latest reports, some 75,000 FBM had been produced but the marketing procedure had not been started because of the condition of the lumber (green) and the season. However, those concerned with this operation have carefully analyzed it and there is every indication that the operation will be continuous and profitable.

In additional industry that seems ideally suited to the local conditions is that of fish box manufacturing. Once again there is a local market (Hay River) and adequate transportation. The principal supplier of these boxes has developed other interests which have led him to offer his plant for sale, and if capital becomes available to the people at Fort Resolution, there is every reason to hope that, utilizing the scraps and cull lumber from the main operation, boxes can be produced at a reasonable profit. The current market is for 80,000 boxes annually with a foreseeable increase to 100,000. It is estimated that boxes will be produced at 63 cents and sold for 82 cents. If these prices prove accurate, then there is every chance of success for the plan.

At the outset, this legislative body did not have the power to make a loan to a Co-operative. It could make grants but not loans. Your Commissioner applied for the enabling measure last November. It was not passed until May. In the meantime, delays plagued the development. It was most disconcerting for the employees and disheartening for Mr. Malin on whom most of the blame was attached locally. He was not only not to blame, but he put up his own personal funds to meet some of the pressingly needed wages. Temporary measures to alleviate the situation were taken by the administration by buying the machinery and lending it to the Co-operative. The Commissioner made a \$10,000 grant to save the project. He hopes Council will approve his action. Now that the Commissioner in Council has authority to make ordinances to lend money, the crisis at Fort Resolution should be resolved.

Concerning the possibility of undertaking similar development at additional locations in the Mackenzie District, the Commissioner recommends that this be delayed until more promising results can be produced at Fort Resolution. When it is considered that, after a survey of a fairly large region, Fort Resolution was recommended as being the most likely to benefit from economic development, and in view of the difficulties encountered, it would perhaps be prudent to get this development firmly established before attempting to start operations at some new location.

LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

5TH COUNCIL, 30TH SESSION

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