

## **HYDRO-ELECTRIC DEVELOPMENT AND THE PROCESS OF NEGOTIATION IN NORTHERN MANITOBA, 1960 - 1977**

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### **ABSTRACT/RESUME**

The purpose of this paper is to examine the process of negotiation as it developed between the Manitoba Government, Manitoba Hydro, the Federal Government, Provincial Native Organizations, unaffiliated special interest groups, and Native communities, in the face of extensive, long-term hydro-electric development plans in Northern Manitoba. The analysis focuses on two specific hydro-electric projects, the Grand Rapids and Churchill-Nelson River projects, and two specific Cree communities, Easterville and South Indian Lake. The approaches adopted by all parties in the negotiation process are described and analysed.

Le but de cette étude est d'examiner les négociations entreprises par les gouvernements du Canada et du Manitoba, ainsi que par Manitoba Hydro, les organisations autochtones provinciales, certains groupes d'intérêt particuliers non-alignés, et les communautés autochtones elles-mêmes, en raison des projets de développement hydro-électriques à long terme dans le nord du Manitoba. Deux projets hydro-électriques en particulier, ceux de Grand Rapids et des rivières Churchill-Nelson, et deux communautés crises, Easterville et South Indian Lake, ont été étudiés par l'auteur; celui-ci présente et analyse le point de vue adopté par chacun des nombreux partis dans ce processus de négociations.

## INTRODUCTION

The purpose of this paper is to examine, in some detail, the "process of negotiation" as it developed between the Manitoba Government, Manitoba Hydro, the Federal Government, Provincial Native Organizations, unaffiliated special interest groups, and Native communities, in the face of extensive, long-term hydro-electric development plans in Northern Manitoba. The emphasis here is on the process of "negotiation", or the analysis of the approach adopted by the relevant parties as issues such as community relocation, the flooding of Indian lands, and socio-economic impact considerations were debated and resolved. In so doing, however, it is necessary to examine the process of "negotiations", through the examination of memoranda, letters, minutes of meetings, and personal interview data, to reconstruct events as they unfolded.<sup>1</sup>

In this analysis, I will focus on two specific hydro-electric projects, and two specific Native communities. The first is the Grand Rapids Hydro Project and the Cree community of Chemawawin, renamed Easterville after relocation, and the second is the Churchill River Diversion Project, a component of the massive Churchill-Nelson River Hydro Project, and the Cree community of South Indian Lake. A number of other Native and non-Native communities were affected by these hydro projects; however, those selected for analysis suffered the greatest impact and were the center of most of the attention during the planning, negotiation, construction, and post-project phases.

## EASTERVILLE AND THE GRAND RAPIDS HYDRO PROJECT

### Introduction

In 1964, the Swampy Cree and Metis reserve of Chemawawin, located along the shores of Cedar Lake, was forced to relocate to a new site elsewhere along the lake because of the construction of the Grand Rapids Hydro Project.<sup>2</sup> The project, located on the Saskatchewan River system between Lake Winnipeg and Cedar Lake, transformed the latter into a giant reservoir, allowing for the construction of a 472 megawatt generating station at Grand Rapids. This project represented the first phase of a hydro-electric development scheme that would harness the most powerful rivers in the northern part of the province.

### The Grand Rapids Forebay Committee

Although serious planning of the project began as early as 1957, it was not officially announced in the Manitoba Legislature until January of 1960. Recognizing that the 280 Native residents of Chemawawin would have to be relocated, the Manitoba Government formed a committee to act on their behalf in all matters pertaining to the consequences of the project, including the relocation of Chemawawin and the negotiation of a proper compensation agreement. As planned, the community was to be relocated by the spring of 1964, giving the Forebay Committee, as the committee was called, only four

years to achieve these broad aims. In an attempt to ensure some continuity in the process, however, the Committee was granted a ten-year life-span from the date at which the maximum forebay elevations were achieved. As this occurred in 1965, the Committee was formally disbanded in 1975.

Initially, the Committee consisted of only two members. It was expanded shortly after its creation, due to the unexpected work load involved, and eventually grew to a size of nine or ten (membership fluctuated over the years). An important consideration in this analysis is the fact that the Forebay Committee consisted entirely of senior-ranking civil servants who were expected to maintain their separate departments while serving part-time on the Committee. Further, there were no representatives from the Provincial Indian organization (at the time known as the "Manitoba Indian Brotherhood") on the Committee, and no representatives from the community of Chemawawin.

### Initial Negotiations

The residents of Chemawawin were officially notified of the relocation plans in the fall of 1960. However, it would appear that the first meeting between the members of the Committee and the people of Chemawawin did not take place until 22 March, 1962. By this time, the people had formed a local flood committee, the site for the new community had already been selected, and preliminary plans for its construction were under way. The controversy surrounding this site selection will be reviewed shortly.

The purpose of these initial negotiations was to obtain an agreement between the Forebay Committee and the people of Chemawawin with respect to the surrender of the reserve land and the development of the new community. There is strong evidence that these negotiations placed a great deal of stress on the local leaders and that a general lack of communication pervaded most aspects of the early sessions.

At the initial meeting on 22 March, 1962, the Chairman of the Forebay Committee read a list of promises to the representatives of the community. Although a previous list had been sent to the community and had been discussed by the local committee, the actual negotiations had really just commenced. Despite this fact, it became immediately clear that the Government was in no mood to tolerate an extended period of negotiations. The Chairman of the Forebay Committee stated bluntly at the outset,

. . . we must all remember that we have not much time . . . I would hope certainly not more than two months (Minutes, Grand Rapids Forebay Committee, Chemawawin, 22 March, 1962).

Another member of the Committee, in addressing the leaders, made the point even clearer:

We did not conceive the dam. The government decided it. I would like to say this is in the public interest and affects many people,

and whether or not you reach agreement, it will go on. We have spent upwards of 20 million dollars, and other projects of greater magnitude are planned for the near future and this must be dealt with before we go on to these. You will have to go along with us and reach agreement by negotiation or some other means. The job is going to be built. One final word, we all earnestly hope that we can settle this by June first and be underway and you will have to trust us (Minutes, Grand Rapids Forebay Committee, Chemawawin, 22 March, 1962).

It was, in fact, made clear that the Committee wanted to have an agreement finalized at the next meeting. The people of Chemawawin were being asked to negotiate their future in the span of two meetings over less than three months, all the while faced with the constant threat that "the job is going to be built" regardless.

### Site Selection

The most urgent matter faced by the Forebay Committee was the selection of the new community site. While the option of leaving the Cedar Lake area entirely was provided (only two families chose to move to "town"), the Chemawawin residents overwhelmingly voiced their desire to remain along the shore of the lake they knew so well. However, after the selection of the site and the relocation of the community, a great deal of controversy arose. While the Government insisted that the people were allowed to freely choose the new location, other evidence suggests that this was not the case.

The number of potential sites offered to the people by the Forebay Committee is difficult to determine, and estimates have ranged from one (i.e. the present site) to eleven. Most evidence supports a figure of three sites, with which the Chemawawin residents generally concur. Of these three, one site was rejected by the people because road access was questionable, and the second was rejected because of excessive muskeg and steep banks. The third site, eventually named Easterville, was perceived as the best because of the possibility that both a road and electricity could be provided. These two features, the road and electricity, were the most central considerations, and it appears as though the Committee promoted the Easterville site with visions of a sort of Indian utopia. As one member of the community explained,

What I understand, the promises were too good, because at that time we never used a light. We used to use gas lamps, Wood stoves. That's all we used to use over there [at Chemawawin]. And now, those promises. They said, "You gonna have a highway there, and everybody will have a car. And whenever you want to go somewhere, your car sitting there, you go where you want to go. And a stove like that [points]. You're going to have an electric stove. A coffee-pot, and things like that. You're not going to have

to use any wood. No wood stoves". So that's what I said. The promises were too good, I guess. We never seen anything like this before [motions around kitchen]. "You're going to live in a town, a nice town. You're going to have your own store". These are what the promises were. "Everything you need you're going to have. You're going to live in a town".

It is evident that the Easterville site was discussed among the Committee members and Government officials as if it was an a priori fact that the community would select it. Similarly, a brief presented by the community of Easterville to Manitoba Hydro in 1975 declared that, "we did not make the original choice on our own, and Easterville was the location promoted by the Provincial government as the best choice". The same thought is also evident in this passage from a presentation given by a former chief at Easterville to the Panel of Public Inquiry investigating Manitoba Hydro's proposals for flooding Southern Indian Lake (dated 22 September, 1977):

When we moved over we really didn't want to move to the place that was chosen for us, but at that time we did not really know or understand and the people who advised us told us that we really didn't have much choice in deciding as to where we should live. The decisions as to where we should go were not made by us.

One may wonder why the selection of the new community site is of such significance. In addition to the fact that little consultation was apparently involved, the site chosen is, without question, one of the most uninhabitable and depressing places one could imagine, and fully deserves its nickname as "the rock pile". There is a popular belief among community residents of Easterville that the site was visited by the community leaders in the winter, and therefore the obvious drawbacks were not visible. For example, one resident had this to say:

They went about three of four places... and they come here in the winter time. There was deep snow, and it looks good. High land, that's what they wanted.

By spring, it became painfully obvious that the site was not as good as it seemed. Yet, the initial disappointment appears to have been tempered again by the vision of a new community rising phoenix-like from the rock:

Oh, everybody said it was good land. But it was still rocky. I could see rocks all over. And yet they chose that . . . They said there's going to be a highway, a town, a bus will be running here. Everybody glad. So after we settled, well, everybody didn't like it. "Too rocky", they said.

Another individual, one of the political leaders in the new community,

offered an interesting perspective on the selection of the Easterville site:

I don't see why we took this place at that time. Well, I think it was, well, we were kind of fooled by the Government people. They said this was the best place. I don't know if the Band Council agreed to this place, but they were forced to. There's a lot of better places around the lake but I can see now that the Government people, they didn't want to spend too much money moving us, you see. See, it's much cheaper here.

### The Role of the Federal Government

In addition to the relocation of the community, it was also essential that the Provincial Government obtain the consent of both the members of the Chemawawin Indian Band and the Federal Government to flood the reserve land. Since the members of the Chemawawin Band were under the jurisdiction of the Department of Indian Affairs, the Forebay Committee's first task was to approach them to secure permission to negotiate with the Band. Similarly, it was necessary for the Federal Government to agree with the conditions for the surrender of reserve land to the Province. In fact, it was the Federal Government which recommended that the province approach the Band with a package deal, one which eventually became known as the "letter of intent", or the "Forebay Agreement". A representative of Indian Affairs was added to the Forebay Committee at the outset of these negotiations.

The role which the Department of Indian Affairs assumed throughout the negotiations was primarily that of "interested observer". There is little indication, aside from concurring with the agreement offered to the Chemawawin Band, that they played an active role in determining Committee policy or in the decision-making process. Consequently, members of the community feel that Indian Affairs should have been more active in supporting their cause. As one resident explained,

We made all kinds of mistakes. Because nobody helped us out. We should have had Indian Affairs people working with us, who could help us, who could give us ideas. I don't see why they weren't working for us.

Despite this sentiment, the Indian Superintendent for the Grand Rapids region did spend a great deal of time in Chemawawin, and was available for most of the local meetings. However, this activity appears to have run counter to the official or unofficial passive policy of the Department. According to a local resident at Chemawawin,

His [Superintendent] hands were tied. Indian Affairs . . . they worked pretty much with the Hydro. And they didn't get along too well with him. Well, he got transferred out of here. I guess

he talked too much. But his hands were tied. He used to tell me, "They don't like what I'm doing", he'd say.

The reactions to the role which the superintendent played are diverse. The Community Development Officer stationed at Chemawawin described him in paternalistic terms in the following memo:

He appears to me to be a sincere, straightforward man, who has decided that he must make the decisions for the Indians of the Forebay as to where they should move, and all decisions affecting their livelihood (11 October, 1962).

Apparently, the latter part of this statement also reflected the opinion of the members of the Forebay Committee, who viewed his role as one of interference, and there was a great deal of animosity between the Superintendent and the Committee members.

There is also some evidence that the Superintendent may have been too authoritative in assisting the people, denying them the opportunity to actively negotiate and make decisions. Further, it was reported that,

There has been allegations that [he] threatened the Indians, informing them that they would be flooded anyway if they did not sign the agreement (letter 17, March, 1978).

Overall, present community members feel that the Federal Government abandoned their responsibility to the people during the period of negotiations and subsequent events. Their refusal to become actively involved on the behalf of the community is viewed as support for the methods and policies of the Forebay Committee.

#### The Forebay Agreement: A "Letter of Intent"

A "letter of intent" was mailed to the Chief of the Chemawawin Band on 18 April, 1962, a product of discussions with the community the previous March. In general, this letter detailed some of the promises made verbally at the first meeting with the Forebay Committee. A few issues arose, however, and the Chief proposed a number of changes. These revisions were made, and again a "letter of intent" was sent to the Chief, this time dated 7 June, 1962. The Band Council accepted the offer and passed a Band Council Resolution to that effect on 14 June, 1962. By Privy Council Order No. 1962-1617, passed on 15 November, 1962, the Federal Government gave its approval to the letter.

The contents of this letter have been the focus of much of the controversy that has continued up to the present time. While it would not be fruitful to disclose the letter in its entirety, a few of the more substantive items can be presented:

1. The provision of new or reconditioned homes with pit toilets and elec-

- tricity;
2. The construction of a new school;
  3. The establishment of a forest management unit for the exclusive use of the community;
  4. The establishment of a "planned" community, part reserve for the Treaty members of the community, and part non-reserve for the non-Treaty members.
  5. The construction of a road to the community;
  6. The use of local labor "as much as possible" in the construction of the townsite.
  7. The exchange of land in the ratio of two acres of new land for each acre of reserve land taken;
  8. The payment of \$20,000 into the Band's account;
  9. The undertaking of "scientific and engineering studies and investigations in order to assure maximum economic development of the interior and fringe areas of the forebay for wildlife propagation";
  10. The undertaking of "every step possible to maintain the income of the people of Chemawawin at the new site".

Many issues arose over the "letter of intent" in subsequent years. Paramount among these was the fact that at no point in the negotiations was a lawyer made available to the community to advise them of their legal rights and aid them in understanding the legal technicalities involved. At the hearings investigating Manitoba Hydro's proposal for the flooding of Southern Indian Lake, a lawyer hired by the Chemawawin Band in 1968 to investigate the Forebay Agreement was openly astonished that no lawyer had been provided. He stated at that time:

In my meetings with these people and my discussions with them, I said, "Well why didn't you get legal counsel?" The answer was, "Well, Hydro and the Government made us promises and they said they were going to do this and they were going to do that, and we took them for their word, and we didn't feel that we required legal counsel". I would have thought that at that particular time the Government and the Hydro would have taken some steps to adequately protect these people's rights . . . You see the whole point here is that there [was] no representation by these people and this is just awful. This is the most inequitable situation I have ever come across (Minutes of Sitting of Standing Committee of Public Utilities and Natural Resources, 21 May, 1969, Winnipeg).

The letter of intent itself was fraught with ambiguous, open-ended clauses that even later members of the Forebay Committee found difficult to comprehend and interpret. Wrote the Chairman of the Committee in 1968:

Admittedly, a letter of intent was developed and became the basis



of a mutual agreement as to what was to be done. However, it is a document written in layman's language which can easily be interpreted in different ways.

At the time the letter was sent, however, the Forebay Committee had stationed a Community Development Officer in Chemawawin which, they insisted as late as 1968, was perfectly adequate for explaining the agreement and their legal rights to the people. Clearly, it was not."<sup>3</sup>

### Negotiations and Legal Action

The lines of communication between the Forebay Committee and the people of Chemawawin were fragmented throughout the entire lifespan of the Committee. Between these two was a chain of people and departments all involved in some way with the negotiation process. Indeed, one vital function of the Committee was to co-ordinate the activities of these various parties, a task which may have consumed much of their time. At any given moment, a directive from the Manitoba Government had to be relayed through the Forebay Committee to the community where it was received by the Indian Superintendent, the Community Development Officer, or the local trader. The communication was then offered to the Band Council and the local flood committee, who in turn informed the people. There was little actual contact between the Forebay Committee and the people of Chemawawin or their representatives.

There is no question that the people were, in the formative stages, rushed into making decisions that they have since regretted. These were decisions totally unlike anything with which they had ever been confronted. During these early stages, the Community Development Officer made it clear to the Committee that they were expecting too much from the people. The Forebay Committee was, in fact, assuming that the people would fully comprehend what was happening, co-ordinate activities at the local level, and plan for their future. However, one local observer wrote at the time,

The whole idea of planning is strange to most of the people as they are used to asking or being told. The idea of planning itself must be the first one to get across. They can do this, but they find this difficult to do in relation to the white man (Keeper, 1963: 12).

The communication gap between the Committee and the people certainly hindered any progress at the local level. Much information was withheld, other information was transmitted fragmentally. This resulted in constant argument after the relocation about what was said in the meetings and what was promised by the Committee. The following quotes, all offered by members of the Forebay Committee or other Manitoba Government personnel, highlight this situation:

I believe the Committee has underestimated the difficulty there is

for Indians and Metis to understand what they are talking about. They hope to achieve by intermittent visits what it would have been difficult for a resident Community Development Officer to achieve (4 September, 1962).

Each time they have asked for clarification of points or have made a request from the Forebay Committee they have either been evaded or refused. This is making them very discontented (19 February, 1963).

The people are beginning to wonder, after making requests and being verbally promised many things, what to believe and what not to believe. They do not believe what [the Committee Chairman] tells them anymore (19 February, 1963).

For the most part, the Forebay Committee meetings occurred at two separate levels: the local level, between members of the local committee, the Indian Superintendent, and the Community Development Officer, and in Winnipeg, between members of the main Committee. Joint meetings were occasionally conducted, but usually these were scheduled for a location other than Chema-wawin, especially after the agreement had been signed.

At the local level, as the date of the relocation neared, the frequency of meetings increased, again largely in the absence of members of the Committee. There was an incentive for the community members to attend these meetings, though whether they actually understood what was happening is questionable. One Euro-Canadian resident described the meetings:

These hydro meetings, they met pretty near everyday for awhile. They got paid five dollars every time they went to a meeting. The Hydro was [paying them]. Just to go. That's a lot of money. Thirty of them would go in, just to get that five dollars. And I bet you none of them understood what the hell they were talking about.

Certainly there was a language problem which hindered the progress of these meetings. The Chief himself spoke little English, and the other committee members even less so. While translators were used on occasion, evidence indicates that the translations were very crude. One excellent example of the confusion caused by the language problem involved a vote overwhelmingly in favour of returning to Chemawawin when, in fact, the resolution placed before the meeting concerned a move to a third location (Landa, 1969).

The language barrier also inhibited the participation of the local leaders in the planning process for the relocation. Further, the Forebay Committee apparently did not really allow these leaders to participate. The following two passages, from memos written by the Community Development Officer, demonstrates this fact:

It seems that the people themselves have not had anything to say, really, in any of these decisions. They are involved in meetings,

but not in decision-making. These meetings are not council meetings, they are meetings where the people are talked into approving decisions that have already been made by [the Forebay Chairman] and [the Forebay field representative]. A great deal of the mix-up in the Forebay can be attributed to this (11 October, 1962).

Since coming to the Forebay I have commented many times upon the mechanical way things seem to be proceeding here. At meetings of the local committee, the local members never take any active part in the discussion of methods (planning). They are usually asking things to be done or are being told certain things will be done (19 February, 1965).

For many members of the local committee, the meetings held outside of Chemawawin, especially in Winnipeg, were a new experience for them, one which was vividly recalled by one member of that committee:

We had meetings, to talk about this moving. And after that we go to Winnipeg. That's my first time I go to Winnipeg. When we had these meetings..., and when we got to Winnipeg... I was kind of scared. The town it was big, and all those people there when we went to the meeting. I believe there was 1700 people there. That's the first time I see a lot of people before my eyes. And I was standing on the top of the stage there, talking to the people. And I couldn't talk English at that time. I had an interpreter. And then at that time I said we don't want to move unless we have everything that they promised. We'll move when we see those things.

Whether or not these joint meetings were productive can be questioned. Certainly the culture shock to which the previous informant alludes was an inhibiting factor, as was the linguistic problem. Further, one Government employee who attended one of these joint meetings wrote the following:

My main impression of the meeting in Winnipeg is one of confusion and I am more than certain that this was the impression of the Cedar Lake and Moose Lake delegates (10 April, 1963).

The meetings of the Forebay Committee continued for many years after the relocation, but it quickly became evident that the people were not satisfied with the provisions of the agreement, their new community, and the activities of the Forebay Committee.

One area of frustration for the people was the revelation that, aside from the negotiating and signing of the agreement, the Forebay Committee actually had little if any authority to act upon their requests. This is especially true with regard to problems which arose in the new community, and there were many. While the Committee proved to be very efficient in securing the agreement, its efficiency declined when it came to fulfilling the promises outlined in the

agreement. For example, at two separate meetings of the Forebay Committee where "requests for action" were submitted by the local committee, the Forebay Committee denied their responsibility or indicated another Government department as the responsible party in more than half the requests. At one point the Chairman of the Committee "informed the meeting that the function of the Forebay Committee is to approach other government agencies, not to carry out actual work itself" (Minutes, Grand Rapids Forebay Committee, 22 July, 1958). However, in many cases the local committee was directed to approach these agencies on their own.

As stated earlier, in 1968 the Chemawawin Indian Band, using funds provided by the Manitoba Indian Brotherhood, hired a lawyer to investigate the conditions surrounding the signing of the "letter of intent" and the relocation of the community. Specifically, his task was,

. . . to determine whether or not the discussions preceeding the letter of commitment were unilateral on the part of the government, or whether or not the Indians entered into an agreement with the government, and in this regard, if, on the surface, there appears to have been an agreement, whether or not the Indians truly understood the nature of the agreement (letter, 8 January, 1969).

Fundamental to the investigation was the lawyer's belief that the "letter of intent" or "Forebay Agreement" was not in fact a legal agreement between the relevant parties. However, the lawyer immediately ran into obstacles in his investigation. As he had not been a party to the original agreement, he requested from the Forebay Committee all files pertaining to the hydro project. His request was denied, first because it was "impractical, time-consuming, and expensive" to comply with, and later because such documentation was "privileged". However, the lawyer for the Forebay Committee did agree to supply specific documents, but only if the community's lawyer could identify them. Although this action on the part of the Committee proved a great hindrance, the lawyer did manage to obtain enough information to file a 'Statement of Claim' on 15 August, 1970. As soon as this claim was filed, the Forebay Committee ceased all negotiations with the community concerning Forebay matters. The Committee itself, through its lawyer, filed a 'Statement of Defense' on 30 October, 1970, basically refuting all of the claims made by the community. An interesting fact then emerged. According to the Statement of Defense, the Forebay Committee could not be taken to court because it was not a legal entity. In other words, it had no legal responsibility to the people of the community and was, therefore, technically speaking, not responsible for its actions, or inactions. The negotiations had been conducted, and an agreement signed, with a body that was not legally responsible to fulfill the conditions of the agreement. The Provincial Government and Manitoba Hydro, however, were legal entities and therefore subject to lawsuit. The Statement of Defense also argued that the Band could not bring an action against the Provincial Govern-

ment because the Band was not a legal entity. The Federal Government would have to initiate the action on behalf of the Band.

In addition to refuting the claims made, the Statement of Defense stated that the Provincial Government should not be liable because "the relocation of the plaintiffs at Easterville was negotiated and carried out with the advice, knowledge and consent of the Government of Canada". In other words, right or wrong, the fact that the Federal Government concurred with the agreement absolved the Provincial Government of all responsibility.

The actual outcome of this legal action is uncertain, although we do know that it never made it to court. To the present day, the Chemawawin Indian Band continues to assert that its rights were abrogated because of their inexperience in negotiating with the Government and their lack of legal counsel. Further, they feel that many of the promises made orally and in the letter of intent have not been fulfilled, and the Band has become increasingly more politically active and aggressive in asserting its rights (cf. Waldram, 1980). It is unlikely, however, that the "letter of intent" or Forebay Agreement will ever form the basis for either a political or legal action in the future.

## SOUTH INDIAN LAKE AND THE CHURCHILL RIVER DIVERSION PROJECT

### Introduction

It was not long after the Grand Rapids Hydro project became operational in 1964 that Manitoba Hydro turned its eye to the enormous potential of the Churchill and Nelson Rivers, and many people were surprised when the Manitoba Government announced 'phase one' of a massive hydro-electric scheme in 1966, designed ultimately to produce over 8000 megawatts of power. The Easterville situation was still fresh in mind, and the Government initially vowed not to repeat the horrendous mistakes that had accompanied the Grand Rapids project. In fact, at one hearing into Hydro's license application to flood Southern Indian Lake, the Government representative noted that they had 'learned from the past'. The specter of Easterville remained throughout much of the South Indian Lake controversy. For instance, members of the Easterville community were asked to testify at the South Indian Lake hearings, and the social and economic impact assessments commissioned by the Government made liberal references to the Chemawawin relocation. Nonetheless, it is apparent that, not only were the same mistakes repeated, but in the case of South Indian Lake the approach of the Manitoba Government and Manitoba Hydro 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. Further, while the Grand Rapids project attracted relatively little attention and adverse reaction, the Churchill River Diversion project became a hot-bed of provincial, national, and international dispute (Matthiasson, 1972; Sanders, 1973).

### Anachronism in a Technological Age

Under an agreement with the Federal Government, the Manitoba Government, through its Crown Corporation, Manitoba Hydro, planned to divert the waters of Southern Indian Lake, on the Churchill River system, south into the Nelson River via a diversion channel blasted out of the rock at South Bay and linked with the Rat and Burntwood Rivers. The construction of a control structure at Missi Falls, where Southern Indian Lake drains into the lower Churchill River on its way to Hudson Bay, would reverse the current in part of the lake and raise the level thirty feet. In this manner, Southern Indian Lake would act as a giant reservoir, feeding varying amounts of water into the Nelson River as electrical demands required. All generating facilities would be located on the Nelson River. This became known as the "high level diversion" scheme of Manitoba Hydro. Something of a modern engineering achievement, the awesome magnitude of Hydro's scheme initially shrouded the fact that, among the ecological and human problems it entailed, the entire community of South Indian Lake with its 700 residents would be submerged.

The implications of the project did not escape the attention of some individuals, among them a group of professors at the University of Manitoba. Toward the end of 1966, this group released a preliminary study emphasizing the need for additional sociological, biological, and environmental research. The Manitoba Government refused to fund the study (Manitoban, 1974:4). However, in 1968, a multidisciplinary team from the University was asked to prepare a report on the possible impact of the overall hydro scheme for the Manitoba Government. The final report delivered to Government (nicknamed the "Duckworth Report", after the head of the team) found in Hydro's proposal both an inadequate assessment of alternative power schemes, and an almost total lack of consideration of the ecological ramifications of the project. Further, these professors provided an alternative preliminary plan which would have avoided the flooding of Southern Indian Lake altogether, leaving intact the community of South Indian Lake. Manitoba Hydro, however, rejected the report on the grounds that it was superficial and lacking in scientific rigor. The corporation preferred the perspective offered in a report for the Manitoba Development Authority by the consulting firm of Van Ginkel and Associates in 1967. In this report, the people of South Indian Lake were described as "anachronisms in the present age of technology", and therefore the anticipated impact of the hydro project would do "nothing more than move forward in time the break-up of this community and way of life" (Van Ginkel, 1967:preface). The perspective of this report, and one which Manitoba Hydro apparently adopted, was stated in the following cover letter to the Deputy Minister of the Manitoba Development Authority:

The consultants wish to make very specific their unqualified conclusion that the communities of native people that exist throughout Manitoba - and this is equally true of all parts of Canada - have no future and that the interests of the native people of the total community will be gravely prejudiced if those

resources on money and creative thought are not dedicated to solving the problem of the remote Indian settlement and the Indian reservation (letter 15 May, 1967, in Van Ginkel, 1967).

The sentiment expressed in this passage was echoed throughout most of Manitoba Hydro's negotiations with the affected communities.

The "Duckworth Report" was, theoretically, an internal Government document, but its contents did not remain confidential for long. Outraged at the arrogance of Manitoba Hydro, the professors involved released the report on their own to the media. For the first time, the true scope of Hydro's development proposals became widely publicized, and criticism from many quarters soon surfaced. The controversy that ensued dominated provincial politics, and gained national and international attention, for the next half decade. The community of South Indian Lake became a cause célèbre for a vast array of individuals and organizations.

#### Negotiations and Public Hearings

While it was inevitable that the people of South Indian Lake would become aware of the commotion surrounding them, the magnitude of the support in their favor was never recognized. Despite the attempts of many concerned organizations and individuals, often the most basic information concerning the project failed to reach the community. Inevitably, damaging rumours began to circulate which, together with the lack of accurate information, made it very difficult for the people to organize an effective strategy for dealing with the whole issue. Worse was the fact that, throughout the process of negotiations with Hydro and the Government, erroneous information was provided to the community. For instance, one member of the local relocation committee that was established, commented;

We were told that the lake would only rise a couple of feet, and that since Hydro was a big corporation they would be able to fix the damage and compensate us. They said they could make new shorelines and stock the lake with fish.

At one of the earliest meetings in the community, a member of the Department of Indian Affairs, acting as a liaison, stated with regard to the possible impact of the flooding on the fishery:

Certainly nobody at the moment can be quite sure of what is going to happen. I think all of us that are reasonable will know that there must be some fish in the lake, and its going to be a bigger lake so it should be able to carry more fish (Minutes, Meeting at South Indian Lake, 14 June, 1968).

This absurd statement, showing not only a lack of insight into fish habitats but also a lack of respect for the fishermen, was repeated in succeeding years by

members of the Manitoba Department of Natural Resources and by the Premier himself. A whole process of misinformation began early in the development plans of Manitoba Hydro and continued until the project became operational in 1976. At one of the earliest meetings of the local flood committee in South Indian Lake, the mayor remarked, "we are still holding our meetings blind-folded". It remained that way for some time.

The issue moved into the public forum in January of 1969 when, according to Provincial statute (the Water Powers Act), Manitoba Hydro announced its application to proceed with the project and the holding of public hearings on the application. The first hearing began at South Indian Lake on 2 January, 1969. By this time, the community had interviewed a number of lawyers and had selected one firm to represent them at these hearings, with the Government paying their fees. At this first hearing, an interesting stalemate developed between these lawyers and the representatives of Manitoba Hydro. The Hydro representative stated that Hydro could not offer details of compensation programs until they could learn from the people what they wanted. The community replied that their inability to offer proposals was due to the lack of information they had received on how the flooding would affect the community and its economy. The Hydro representative responded that they did not yet have that information. Through cross-examination by one of the community's lawyers, especially on the issue of alternative hydro schemes that would avoid the flooding of the lake, it became clear that Hydro had very little information to offer on most aspects of the project. The meetings closed with the lawyers stating that Hydro should be prepared to offer real answers when the meetings resume in Winnipeg (Minutes, Public Hearing on Manitoba Hydro's Proposal for the Churchill River Diversion, South Indian Lake, 7 January, 1969).

On 20 January, 1969, the Minister of Natural Resources (the Minister responsible for Manitoba Hydro) announced that an "interim" license to proceed with the Churchill River Diversion would be issued, before the second public hearing was convened. The Minister stated that the purpose of the hearings was merely to determine the needs and concerns of the people affected; it was not to question the engineering or the economics of the high level diversion scheme. The Government was not interested in hearing about alternative plans (Winnipeg Free Press, 20 January, 1969). Outraged by this unilateral approach to development, the group of University of Manitoba professors challenged the economics of the high level diversion, arguing that if the inevitable loss of natural resources, the cost of relocating the community and establishing a new one, and re-establishing the community's economic base were added to the engineering costs, the project was no longer feasible (Winnipeg Free Press, 25 January, 1969). In their study, they calculated a capital loss due to the project of 12 million dollars for South Indian Lake, compared to the Van Ginkel (1967) report estimate of 4.1 million dollars. Further, a confidential report prepared by the Ministry of Natural Resources and leaked to the press at this time described the high level diversion as "a major social and economic disaster", adding, "Can this community be relocated and expected to continue as a self-sustaining entity?" (Winnipeg Free Press, 24 January, 1969).

As a result of these new revelations, a very large audience assembled at the



resumption of the public hearings in Winnipeg on 27 January, 1969. Hydro argued that the hydro-electric power was urgently needed by the Province, noting that Hydro demand in the Province had doubled in the preceeding ten years, and would double again over the subsequent decade. Without the project, they argued, "brown-outs" at peak consumption periods would be inevitable (both assumptions have since been proven erroneous). Quite simply, the high level diversion was "cost-effective" and had been "counted on" since 1965 (which can be interpreted as meaning Hydro had already spent a large amount of money on the project - in fact, on-site planning was proceeding in the north as the meetings convened in the south). Stated one member of Manitoba Hydro:

As in other cases where the public and private interests appear to be in conflict, the people of South Indian Lake are being asked to leave their homes and establish themselves in new surroundings for the benefit of all the people of Manitoba (South Indian Lake Public Hearing, 27-29 January, 1969, Winnipeg).

The Chairman of Manitoba Hydro echoed these altruistic sentiments as well:

Now it is not our desire to see these people are less well off after this diversion; in fact, it would be our desire to see that they are as well off as it is possible for them to be . . . it is our earnest desire that we do provide every facility that is possible so that there would be no one in Manitoba that would be ashamed of the treatment that these people received . . . Now certainly these people are entitled to the same laws and rights as you and I and I don't think they are entitled to anything less (South Indian Lake Public Hearing, 27-29 January, 1969, Winnipeg).

Nonetheless, when the lawyers for the community asked for specific information on the hydro project, they again met with reluctance on the part of Hydro. The Hydro spokesmen, especially the Chairman, insisted that since many contracts had already been tendered for the construction of the project, it would not be appropriate for Hydro to publicly disclose detailed information, especially concerning cost estimates. This, of course, prevented accurate comparison with the alternative projects presented by the University of Manitoba group.

At the hearing another member of Manitoba Hydro outlined a compensation package which had been drafted. Most of the items were "structural" in orientation, and offered such items as new homes, new docks, new fish camps, the marking or moving of graves, and a fish locator. In the area of economic development, Hydro merely offered to contribute \$60,000 to the construction of a floating fish plant and to provide training programs for the people who would work on the hydro construction. He summed up Hydro's perspective in this manner:

Manitoba Hydro's position . . . is that to the greatest extent pos-

sible all factors should be considered and when I say to the greatest extent possible, in any decision of this kind *there are always pressures of time to move on* with a particular development (emphasis added) (South Indian Lake Public Hearing, 27-29 January, 1969, Winnipeg).

Also appearing at the Winnipeg hearings were a number of scientists, including engineers, biologists, and anthropologists (many from the aforementioned University of Manitoba group) who argued against the high level diversion scheme.

As was to be expected, the community rejected Hydro's compensation offer. In February of 1969, the community's lawyers were instructed to seek an injunction to halt planning and construction of the project (Manitoban, 1974: 4). To circumvent this injunction, the Government introduced Bill 15 into the Legislature, designed to supercede all other Acts, including the *Water Powers Act*, which would allow the Government to grant a license to Hydro to proceed with the diversion without the mandatory public hearings and review by the Water Commission. By May of 1969, the Chairman of Manitoba Hydro announced to the press that they had passed the "point of no return" in design work for the high level diversion. In the Legislature, opposition to the Conservative Government's Bill and to Manitoba Hydro's unilateral actions grew stronger and began to dominate House business. In response, the Government dissolved the House and called for a general election, seeking in part a mandate to renew the high level diversion scheme.

In the election of 25 June, 1969, the Conservative Government was defeated by the left wing New Democratic Party (NDP) in a move which spelled the death-knell for the high level scheme (Matthiasson, 1972). At his first press conference, the new Premier, Edward Schreyer, stated firmly:

Manitoba Hydro surely cannot proceed without reference at all to the human factors and if the human, the sociological, the natural resource conservation factors weigh more heavily in the minds of my cabinet colleagues than the mill rate Hydro will have to charge, well then we'll reverse the present course Hydro is embarked on (Manitoban, 1974:5).

After reviewing the available facts, the Schreyer Government cancelled the high level diversion project. In the Premier's own words,

Can we . . . face up to the prospect of disrupting two communities of 700 people, completely upsetting the lake on which they depend for their livelihood making it quite impossible for at least some of them to continue to live independently? (Manitoban, 1974:5).

The early optimism was soon shattered, however, when the Government an-

nounced that, rather than rejecting the whole concept of diverting the Churchill River, they would go ahead with a new "low level diversion" of Southern Indian Lake that would flood the lake only ten to fifteen feet instead of thirty. About half the homes at South Indian Lake would still have to be moved, and while the ecological damage anticipated under the new scheme would be lessened, the exact nature and extent of the damage was still not understood.

Up to 1972, the Government had been funding the South Indian Lake lawyers in matters related to compensation for the diversion. The previous Conservative Government had been content to allow the lawyers to use this money in the injunction action of 1969. However, by June of 1972 this position had changed. In a letter to the Mayor of South Indian Lake, dated 25 May, 1972, the community's lawyers wrote that Premier Schreyer was no longer willing to fund legal activities if they continued to pursue an injunction against the project, but would continue to fund individual compensation claims. The community reacted immediately. In a "Statement of Counsel for the South Indian Lake Community", 2 June, 1972, one of the lawyers informed the Premier that he had been instructed by the community "to resist to the fullest extent possible" the hydro proposal because the impact studies had only just commenced and the possibility of viable alternatives had not been fully investigated. Further, the lawyer wrote:

The people of the South Indian Lake community wish to remain together as a community. They do not want their community to be broken up as a consequence of the demolition of their economic base. Relocation of some to elsewhere is both divisive and potentially destructive. They have neither the financial nor the social mobility to survive. Money compensation means little without the ability to translate it into sustaining one's self with dignity and self-respect.

Although the Federal Government's Minister of the Environment was contacted to investigate the possibility of funding, the lawyers offered to donate their time against any future compensation award.

On 14 June, 1972, Premier Schreyer responded by letter to the community's lawyers. The Premier stated that his Government had acted responsibly by rejecting the high level diversion in favor of the low level diversion and a new plan for the regulation of Lake Winnipeg. Further, he warned the lawyers that they should not expect any assistance from the Federal Minister of the Environment, as he had not intervened in the negotiations between the Grand Council of the Cree, Hydro Quebec, and the Quebec Government concerning the James Bay Hydro-Electric Project, and therefore he could not justify doing so in Manitoba. On the 15 June, 1972, Schreyer visited South Indian Lake, and told the community that, personally, he wished the whole project could be disbanded, but that too much money had been spent to stop it now. And, he emphasized, there was no way that the community's lawyers could stop the project (Minutes, Meeting at South Indian Lake, 15 June, 1972). Writing about

this meeting in a memo, the Area Community Development Worker stated:

He suggested that the flooding could not be stopped and that any money spent on legal aid for this purpose would be wasted. He went on to point out that legal aid would only be available to help the community for everything except to block the project . . . I also have a very strong feeling the community at the present time is very confused, doesn't know who to believe, and is operating on a minimum of fact (undated).

The threat of another attempt by South Indian Lake to obtain an injunction forced the Government to move quickly. In November of 1972, by Order-in-Council, the Government eliminated the need to advertise the application for a license to commence construction on the project. Subsequently, the Government changed the *Water Powers Act* so that the Minister of Mines, Resources, and Environmental Management could issue the license to Manitoba Hydro without hearings or passage by the legislature (thus circumventing the inevitable backlash from opposition parties that brought down the previous government). The NDP Government had adopted political tactics similar to those of the previous Conservative Government (which the NDP had actively criticized) in order to force the issue (Manitoban, 1974:4).

The community's lawyers continued to press for an injunction to halt the project, and also continued their canvassing of the Federal Government for support. On 11 June, 1972, the local community development officer was told in a letter from a member of the Department of Indian Affairs that the community would have to once again apply for Provincial assistance because their rights were already guaranteed by Treaty Number Five, and theoretically they could not be violated. They were told that, by contrast, the James Bay Cree and Inuit had received assistance because, historically, their rights had not been established by treaty. On 12 July, 1973, one of the lawyers wrote to the South Indian Lake Flood Committee that he was losing hope of obtaining Federal assistance, adding,

I pointed out that the community had been treated by Northern Affairs as a community of Treaty Indians for many years and it would be an absolute shame if they adopted a narrow view of the situation at this point in time.

In a subsequent letter to Indian Affairs Minister Jean Chretien, the lawyer pointed out that, compatible with Indian Affairs policy, South Indian Lake was in fact a community of Treaty Indians under Federal jurisdiction, and therefore should qualify for financial assistance. No doubt exasperated, the lawyer let his true feelings be known to the Minister:

What really sets one back on one's heels is the enormous farce that is being played out here. It is time it was stopped and it is the view of the Indian community, Mr. Minister, that this can only

be done, and it must be done, with your help (letter, 9 October, 1973).

In the meantime, activity on the Provincial front had been brisk. The Manitoba Environment Council (an advisory body of experts to the Minister of Mines, Resources and Environmental Management) had, in January of 1973, recommended that the diversion project be stopped, but the Government failed to accept the recommendation. Further, the South Indian Lake request for an interim injunction to halt the project was denied. A trial date on the injunction was set for 10 September, 1973, but Hydro was allowed to continue construction in the meantime. In examining the Court submissions of the Government, the community's lawyer informed the South Indian Lake flood committee,

You will note that their main defense is that you have no legal rights whatsoever to the lands and therefore you have no right to object (letter, 12 July, 1973).

At this point in time, the actual impact assessments had yet to be completed.

The year 1973 was also one in which Premier Schreyer's attitude toward the development showed a marked change. While not entirely abandoning his 'people first' slogan of the 1969 election campaign, his new perspective reflected a more formalist economic view than before:

You have to weigh off the relative merits of hydro development versus ecology. Suppose, for example, a hydro project will cause \$200,000 worth of ecological damage a year, while simultaneously creating a resource value of \$80 million. In this case, I think the benefits of development far outweigh the drawbacks (Premier Schreyer, in speech, January, 1973, quoted in *The Manitoban*, 1974:7).

Opposition to the project continued to grow. In 1972, an organization known as "The Friends of the Churchill" was formed. And, in 1973, a group of clergymen representing the United, Anglican, and Roman Catholic Churches, began to mobilize behind South Indian Lake. A spiritual element entered the process of negotiations as the South Indian Lake United Church Minister spear-headed this new movement, as demonstrated in his letter to a fellow clergyman:

The people of Manitoba and especially the people of the Church must be made aware of the sin they are committing in destroying creation and people's lives. How many lives is the Nelson River Hydro scheme worth . . . Once the water is allowed to rise, no power on earth can restore what God has given to the people of South Indian Lake and the people of Manitoba" (undated).

However, despite the increasingly vocal opposition to the project, and despite

some flagrant violations by the Government of democratic principles, the New Democratic Party were restored to power in the general election of 1973. With a new mandate, the Manitoba Government plunged ahead with the construction of the diversion scheme.

#### The Northern Flood Committee

By 1974, it was apparent that the focus of the South Indian Lake issue had actually shifted away from the community level and into the political arena on a provincial and national level. The principle involved came to shroud the potential destruction of the way of life of the small community on the shores of Southern Indian Lake. However, Hydro had, throughout this period, been making overtures to the community and especially to individuals, on agreements for property and compensation, despite the expressed desire of the Community Council and the local flood committee that these overtures desist. A former mayor of South Indian Lake discussed the problem involved with this tactic:

Hydro came in once to talk to the trappers, but no agreement was made. They came in a second time with cheques and started to pay off the individual trappers. A lot of men were against it, but too many others took the money, and then the rest were left to do so.

One member of the local flood committee described the scene this way:

The people were against Hydro when the dam was planned, but Hydro got each separate family to agree by offering them money. A thousand dollars was a lot of money back then. They were going to build it anyway.

In assessing the situation, one of the elders of the community lamented, "We would have been better off if we'd stuck together." The process began in a small way, with one trapper accepting a cheque for damage done to his boat by a Hydro tractor, but began to snowball as Hydro's "easy money" began purchasing cabins and other equipment. In a letter from the Mayor and Council to Premier Schreyer (handwritten c., 1974), the anger of the community's representatives was apparent:

We are writing to inform you of a man who has been sent in here by Manitoba Hydro . . . He says he has the right to pay compensation to individual citizens. We feel that this is unfair tactics [sic] on the part of Hydro, an attempt to break up the unity of the community. We would urge you as the chief executive of our province to see that this man is told to stay away from our people and all other such people. We have a law firm who has our confidence and all matters of compensation should be carried out through them. Please use your influence to see that Hydro sticks

to their own business, which is not the internal affairs of our community.

The reference in this letter to "all other such people" no doubt refers to the people of the other northern communities likely to be affected by Hydro's plans, most notably Nelson House, Norway House, Cross Lake, Split Lake, and York Factory. Similar problems were developing in these communities as well, as Hydro attempted to make individual settlements and avoid community or legal representatives. The result of these tactics was the formation of the Northern Flood Committee (NFC) by the affected communities in April of 1974.

An undated release from the Thompson office of the newly formed NFC stated the *raison d'être* of the organization:

Our major aim . . . is to fight for justice in the areas of Treaty land and Treaty rights and to fight for northerners in areas which do not fall into this category but who will face disruptive and negative effects due to the Project. Our aim is to try and keep these people united in their stand against Government and Hydro encroachments because it is only through strong, uncompromising unity that gains can be made by us. We believe that our people in the North have a very real right to participate in decision-making that affects them. The purpose of the Flood Committee is to inform these people in the North as to what is happening so that they can be better prepared to take part in some of the decision-making.

The necessary information for such decision-making was not forthcoming from either the Government or Hydro, however, and a strategy of confrontation was developed. At a meeting of the NFC on 25 April, 1974, a decision was reached not to have any further dealings with Hydro, especially on the topic of compensation, until Hydro disclosed all information pertaining to the project and until the NFC could digest this material and decide on a course of action. Further, all Hydro employees were barred from the Nelson House Reserve on Footprint Lake, where vital survey operations were in process. It was widely believed that many of the reports of the impact study team had been completed, but were being withheld by the Government.

The whole notion of unity became increasingly important in the approach adopted by the communities. At a meeting in South Indian Lake, the community's lawyer emphasized this point:

We have to fight together or we will lose. Hydro would like some people to give up, as they hope the rest of the people may give up (Minutes, Meeting at South Indian Lake, 29 January, 1974).

Also at this meeting, the community drafted a letter of defiance to the Govern-

ment, stating,

That is Mr. Schreyer won't meet with us and if he won't give us help so we can help ourselves, then we will have no further meetings with anybody from government and hydro and we will go and tell all the people in Manitoba how we feel . . . we want to tell you the people of South Indian Lake speak together with one voice.

As members of the Nelson House Indian Band, the people of South Indian Lake were drawn into the NFC controversy, and were the first to experience Hydro's 'divide and conquer' compensation scheme.

The Manitoba Government refused to fund the NFC because of its uncooperative, confrontationist stance. However, because the NFC was composed mostly of Treaty Indians, and because there was a threat to reserve land (the other communities being Indian Reserves), Jean Chretien, Minister of DIAND, agreed to fund the NFC, thus drawing the Federal Government substantially into the controversy for the first time since the project had been announced.

While the NFC was struggling with funding, and while South Indian Lake was pursuing its injunction, construction on the project was continuing. On 5 July, 1974, NFC's recently hired lawyers filed for an injunction as well. Yet, Hydro remained confident that the project would remain on course, and continued to make overtures to the individual communities. The strategy employed by Hydro and the Government in the face of possible (though not probable) injunction is highlighted in the following passages, both of which are internal documents authored by the Government's lawyer:

The other side to be considered is simply the longer this project proceeds and becomes patently irreversible, the more hesitant the Court would be to grant an injunction. Even at this point in time, with substantial contracts having been let, reversal would be at a horrendous cost (cited in Tritschler et al., 1979:215). The whole project can be completed without Manitoba Hydro coming to terms with the Indian people at Nelson House . . . I would recommend that Manitoba Hydro takes the bargaining position that time is on their side and that we do not bargain in panic in order to acquire the Nelson House land immediately . . . Thus, instead of putting all our eggs in one basket and being dependent upon the Department of Indian Affairs, and/or the Northern Flood Committee, as the operative vehicle to attain results, we hopefully can move behind them and get direct community support (letter, 1 August, 1975, cited in Tritschler et al., 1979:215-216).

Matters began to heat up by early summer, 1974. The NFC continued to insist that any flooding of Indian lands was a violation of Treaty Number Five,



while the Manitoba Government continued to fall back on the Federal-Provincial Agreement of 1966 which, they believed, gave them that right. The NFC also continued to demand the disclosure of all information concerning the project. The NFC clearly recognized the reason for the delay in releasing the study board reports:

What Hydro is doing is playing this game where they want the people to talk in terms of compensation before the people themselves know what the damages will be (Minutes, NFC Meeting, 7 June, 1974).

On 19 June, 1974, Premier Schreyer, by letter to the Chairman of the NFC, indicated that these reports would soon be made available. The NFC was finding it difficult to build a legal case without these studies, and the time was too short for them to conduct research on their own (the proposed operational date of the diversion project was only a year away). Yet, when the reports finally were issued, they were only of marginal utility. The lawyer for the NFC stated at the time,

Our engineer consultants were unable to complete an affidavit based on the reports. There seems to be important data missing (cited in *The Manitoban* 1974:13).

By mid-summer of 1974, the Provincial Government had still refused to recognize the NFC officially as the negotiating body for the affected communities, and they were furious at the Federal Government for legitimizing the NFC by providing funds to be used against Manitoba Hydro in a legal action. Although the Federal Government had stated that it expected the issue to be cleared up through negotiation, it became increasingly clear that negotiations were failing. In a confidential letter from Premier Schreyer to Prime Minister Pierre Trudeau (dated 31 July, 1974), the First Minister was chastized for allowing his government to become involved in affairs that were none of its business. The Manitoba Government, according to Schreyer, was proceeding legally with respect to the hydro project in accordance with the 1966 agreement (in contrast, the lawyers for South Indian Lake and the NFC argued that this agreement did not give Hydro a *carte blanche* to flood Indian lands). In the letter, Schreyer wrote,

The Manitoba Government takes the position that the federal government, in signing the agreement, obligated itself to do all those things that were necessary within its jurisdiction to facilitate the program being proceeded with. As a corollary, the federal government also undertook not to take any action which would hinder the development.

While stating that discussion between the Manitoba Government and the affect-

ed communities was still open, Schreyer added:

The only qualification is that the Manitoba Government will not negotiate as to whether or not it has the right to proceed with the Churchill River Diversion. We consider that right to have been established eight years ago [i.e. 1955].

Finally, in administering the *coupe de grâce*, Schreyer threateningly informed the Prime Minister of the possible consequences of Federal Government interference:

It will therefore be our legal position to hold the Federal Government responsible for any damages suffered by the people of Manitoba as a result of federal actions inconsistent with their contractual obligations (letter, Edward Schreyer to Pierre Trudeau, 31 July, 1974).

By August of 1974 the NFC was still making little progress in their negotiations, and began to feel their case slipping away. It was apparent that Schreyer's letter to the Prime Minister had had some impact at the Federal level, and the drawstrings around the activities of the NFC were tightened. In a letter to the Chairman of the NFC, the lawyer for the NFC described a meeting with the Assistant Deputy Minister of the Department of Indian Affairs:

The Assistant Deputy Minister emphasized, however, that he prefers to proceed along lines of negotiation rather than confrontation, and without saying so directly, he made it clear to me that if he feels that we are going too far down the route towards confrontation, our funds will quickly dry up (letter, 20 August, 1974).

In another letter, Judd Buchanan, newly appointed Minister of Indian Affairs, wrote to the NFC's lawyer that,

I am not prepared to support through federal funding any type of court action until there has been a sincere attempt during the next sixty to ninety days at a direct negotiation between the two parties (letter, 30 September, 1974).

While Buchanan agreed to continue funding the NFC, it was clearly not without strings attached: he stated that "funding of the Committee would be on a basis of monthly payments subject to a continuing review of progress in the discussions".

By 1975, South Indian Lake's application for injunction had yet to make it to trial due, in part, to legal stalling tactics by Hydro, and in part to a resignation by the people to their fate. As the threat of flooding on Southern Indian Lake increased, community members accelerated their attempts to get what they

could from Hydro. The unity of the community behind the local flood committee and the Community Council began to dissolve.

Sensing victory, Premier Schreyer wrote a letter of appeasement to the "Residents of South Indian Lake" on 31 January, 1975:

There is no doubt that the hydro development will have some negative effects on your community, but it is also true that a number of benefits have been created.

Schreyer then went on to outline the "benefits" of the hydro project. These were:

1. "direct color TV broadcasts of improved quality";
2. direct dial telephone service;
3. unlimited electrical power, enabling the use of "many electrical appliances, such as stoves, refrigerators, and TV's";
4. some job opportunities on clearing and construction work;

These "benefits", however, actually served to increase the economic hardships experienced by the people. As one resident lamented,

Hydro promised us a new town, but they didn't say how much it was going to cost us.

In concluding the letter, Schreyer wrote:

The Government has already indicated that it is committed to doing everything possible to ensure that people in Northern Manitoba have at least comparable options available to them after the diversion program as they had before.

### The Northern Flood Agreement

It was not until early in 1976 that the NFC was finally recognized by the Province; however, the waters of Southern Indian Lake and adjoining bodies of water had already begun to rise behind the Missi Falls dam, and Southern Indian Lake water was flowing south to the Nelson River. The South Indian Lake injunction never made it to court, and the Province successfully held off the NFC until it was too late for effective intervention. The NFC had little left with which to bargain, and had no choice but to acquiesce and negotiate an agreement. The Northern Flood Agreement (NFA) was signed on 16 December, 1977.

The Northern Flood Agreement demonstrated some improvement over the Forebay Agreement, but fell short of securing the survival of the affected communities (in contrast to the James Bay and Northern Quebec Agreement). The major concessions won by the NFC were the right to receive proper com-

compensation for damages caused by the hydro project, to be determined by an independent arbitrator if necessary, and the right to be consulted concerning future hydro developments. Some of the other more significant provisions of the agreement are as follows:

1. Any band whose land is affected by the Hydro project is to receive four acres of land for each affected acre, provided the selected land is unoccupied Crown land and "not required for public purposes" (NFA, 1976:13-14).
2. The necessary training for an employment of local residents on the hydro construction project.
3. The people of the affected communities are to be given "first priority" to all wildlife resources within their trapline zones, and in the rivers and lakes which were traditionally available to and used by them as a source of food supply, income-in-kind, and income.
4. "Manitoba has encouraged and will continue to encourage the residents of Reserves to achieve the maximum degree of self-sustenance in food supplies and to maximize the opportunity to earn income and income-in-kind from the wildlife resources and will therefore prohibit hunting, trapping, and fishing in the Resource Area by any non-resident of the Reserve" (NFA, 1976:\$9). Further, members of affected communities should "expect that both themselves and their progeny should continue to be able to enjoy these benefits" of hunting, fishing, and trapping (NFA, 1976:40).
5. Compensation for damages to fishing and trapping are to be negotiated, but individual compensation claims must be made within five years of the signing of the agreement. Hydro will retain the right to settle individual claims.

#### The Commission Of Inquiry Into Manitoba Hydro

The storm which had been generated around the construction of the Churchill-Nelson River Hydro Project led to the establishment of a Commission to investigate all aspects of the project at about the same time that the Northern Flood Agreement was being finalized. The final report of the Commission, referred to as the "Tritschler Report" after the Commissioner, was published in 1979, and contained some startling revelations that did nothing less than provide vindication for all those who had fought the project.

With respect to impact assessment and compensation, the Commission found that, as late as December of 1972, neither Hydro nor the Manitoba Government had a compensation scheme, and that the various government departments failed to co-operate in the areas of compensation and mitigation (Tritschler, 1979:209). Hydro took the position that its responsibility was limited to structural repairs and replacements, that the social and environmental consequences of the project would not be significant, and assumed that the Government would deal with the indirect effects of the project (1979:209).

The difficulty in arriving at a proper compensation agreement with the affected communities was due in part to this approach of Hydro:

Hydro's difficulties with the mitigation aspects of Churchill River Diversion illustrate how the failure to prepare a definitive assessment of all technical aspects of diversion had serious detrimental effects on attempts to negotiate acceptable compensation arrangements with the citizens of Northern Manitoba directly affected by the scheme (Tritschler, 1979:557).

The Commissioner also found that,

Government and Hydro adopted a stance toward the native communities and the NFC of confrontation, hostility, and procrastination with, on more than one occasion, a lack of frankness (1979:220).

In a letter from the Government's lawyer to the Manitoba Attorney-General, dated 7 November, 1977, the Commission also uncovered an admission that, contrary to the position of the Government, Manitoba Hydro did not have the legal right to flood and thereby trespass on Indian lands by virtue of the 1966 Federal-Provincial Agreement (1979:212).

Finally, while providing vindication to the members of the affected communities, the Commissioner offered little else when he stated,

The Commission is well aware that what is done is done and cannot be reversed. We can, however, learn from history (Tritschler, 1979:7).

## THE PROCESS OF NEGOTIATION

The preceding discussion has described the process of "negotiations" as they developed for two major hydro-electric projects in Northern Manitoba. We may now outline the more general process of "*negotiation*" as it developed during the period 1960 to 1977.

So many themes are common to the process of negotiation for both communities that it is difficult to conclude, from the perspective of Manitoba Hydro and the Manitoba Government, that the Chemawawin/Easterville experience resulted in the formulation of a more equitable, and successful, approach to dealing with Native communities and hydro issues. In both cases, Easterville and South Indian Lake, the legal representation of the affected community was either omitted or impaired through poor advice, funding restrictions, legal stalling tactics, and the refusal on the part of the Government to disclose the necessary information to allow the communities to properly define their legal positions. Further, despite numerous legal claims and injunction hearings, no action ever made it to court, and hence important decisions (or even judicial considerations) were not forthcoming.

Both projects involved the failure to provide full and accurate information

to the affected communities on the predicted impacts of the flooding of their lakes and relocation and socio-economic development options. This information vacuum was filled by damaging rumours and partial truths, and most decisions made at the local level were largely uninformed. Pressures of time were also brought to bear on the local decision-makers in a very blatant fashion, despite their acknowledged inexperience in such matters. The very real fear that a long, exhaustive process of negotiations, while construction speeded ahead, could leave them empty-handed at the conclusion if they failed to settle, had a strong impact upon the strategies of these negotiating committees. The desire to fight the projects at all costs was more characteristic of outside community advocates than of the affected people themselves.

At both communities, a local committee was selected to deal with the issues of the hydro project, but neither committee had legal power to make decisions, or to legally challenge those made by the Government. Further, the lines of communication were often fragmented, and the initiative for discussions was often usurped by other individuals, such as lawyers, Government agents, and experts of varying persuasions. In thus losing the initiative, the Native communities became mere pawns in the hydro game, a game which they only partially understood or, more accurately, were only partially allowed to understand. Matthiasson (1972) has described the position of these communities at that time as being "caught in the middle"; we might more accurately refer to it as being "lost in the shuffle". The proliferation of special interest groups and individual advocates, especially in the South Indian Lake case, which championed the cause of the Native people, may have inadvertently prevented them from truly participating in the negotiations. The Federal and Provincial Government, and Manitoba Hydro, were forced to answer to these external groups almost to the exclusion of the protestations of the affected communities. Whether or not the ultimate outcome of the negotiations would have been any different had these external groups supported the Native communities, but allowed the communities to co-ordinate the strategy (as in the case of the James Bay hydro project), is an intriguing, but unanswerable, question. Clearly the input of these groups and individuals, through the public hearings and through the electoral process, contributed to some positive changes to the original plans for the hydro project. Nevertheless, the project was built, and the members of these advocate groups returned to their own communities, often hundreds of miles distant from the impact zone. Since the Native people still live along the affected waterways (indeed, the option to relocate from the region was never seriously considered), the issue of who had the most right to claim the paramount position in the fight against the project is clearly resolved.

In both cases, the Federal Government adopted primarily a passive role, despite their legislated responsibility for the treaty Indian members of the affected communities. Criticism of the Department of Indian Affairs especially has been levelled as a result. Clearly, the Province proved to be more aggressive in asserting its right to develop the hydro potential of the north than the Federal Government proved to be in defending the interests of the Native inhabitants.

It is interesting to note that the Manitoba Government and Manitoba Hydro

proved reluctant to develop or be a party to any legal agreement between themselves and the affected communities. In the case of Chemawawin, the legality of the "letter of intent" has been questioned, though there can be no doubt that, as an agreement between two parties, it is unpardonably vague and even if "legal" in the technical sense is nevertheless an embarrassment to the Government lawyers who (we presume) drafted the document. In the case of South Indian Lake, no agreement *per se* was initially made with the community, although following the flooding of the lake temporary fishing and trapping compensation schemes were developed. While South Indian Lake is included under the Northern Flood Agreement, by virtue of the fact that many of the people are members of the Nelson House Band, their exact status under the agreement, and their rights to arbitration of their claims, have yet to be clearly established. It is, nevertheless, significant that, as the community expected to be the most severely affected by the Churchill-Nelson River project (and in fact it was), no mention of South Indian Lake is made in the Northern Flood Agreement. In both the Chemawawin and South Indian Lake experience, the process of negotiation was defined by an unequal power relationship stacked heavily in the Manitoba Government's favour.

While the overall process of negotiation in the two cases was very similar, a few significant differences require elaboration. The major difference, of course, was the great amount of public attention given to the South Indian Lake case, the advent of public hearings of impressive magnitude, and the provision of legal counsel for the community. However, the ultimate outcome was similar to that of Chemawawin as the publicity and the hearings failed to significantly ensure the legal rights and welfare of the community, and the community's lawyers were hampered and badgered throughout to such an extent that their effectiveness was greatly diminished. Overall, the more sophisticated approach to resolving the issue on the part of South Indian Lake and the special interest groups was countered by a more sophisticated approach by Manitoba Hydro and the Government to ensure that their development plans progressed unimpeded.

For the Grand Rapids project, an entirely new administrative body was created to deal with the affected communities, the Forebay Committee. With the Churchill River Diversion project, the Government refrained from so doing, and most of the contact with the affected communities was initiated by employees of Manitoba Hydro. Neither approach proved successful from the perspective of the communities. While the direct approach utilized in the second instance should have facilitated communication, in fact Hydro proved as evasive as ever. Also, in utilizing a field representative, the pulse of the communities could be constantly monitored, and the 'divide and conquer' tactic of circumventing the local committee and elected council and approaching individuals with cash bait proved highly successful. While this approach did antagonize the local committee, and later the Northern Flood Committee, only the barring of Hydro personnel from reserves proved an effective deterrent. For South Indian Lake, this tactic was not possible (being a non-reserve community), and at any rate would have been adopted too late in the overall process to prevent the undermining of the local committee and its confrontationalist position. From the perspective of Manitoba Hydro, the tactic proved highly successful in disorgan-

izing opposition to their development plans.

Overall, the approach of the South Indian Lake community, and those communities encompassed by the Northern Flood Agreement, was much more sophisticated, suspicious, and confrontationalist, than that of Chemawawin and the other communities affected by the Grand Rapids project. Demanding that their rights be recognized and their position clarified, South Indian Lake was demonstrably more aggressive in the early stages than Chemawawin, whose more passive and trusting position no doubt stemmed in part from their lack of comprehension as to what was really going to happen. However, even in South Indian Lake this aggressiveness gave way to a sense of defeatism, resulting in the disintegration of the strategy of the local committee. This occurred despite the overwhelming support from the private sector, the use of legal representatives, and the eventual formation of a pressure organization in the form of the Northern Flood Committee.

The perspective of the Manitoba Government, and Manitoba Hydro, toward its northern development plans proved consistent throughout the process of negotiations for the two projects. This perspective is easily characterized as derived from a "modernization/acclulturation" model, in which socio-cultural and economic change among Northern Native people was seen as inevitable. Hydro development, according to this perspective, would do nothing more than speed up the process by which these people would be integrated into the national society. The key to this process was the provision of new services and a new infrastructure, including electricity, television, and roads, which would have a positive effect on the northern communities. Little real attention was paid to developing measures to maintain the commercial and domestic activities of the Native communities because, not only were they perceived to be declining in viability, it was widely believed new wage labor opportunities would spell the death-knell for the traditional economy. With this perspective, the Manitoba Government publicly felt content that its development plans would ultimately improve the welfare of the northern people. Whether or not, privately, the Government really believed this, is open to question.

Finally, it must be noted that the Manitoba Government and Manitoba Hydro effectively prevented the question of their right to build hydro projects, including their right to flood Indian reserve lands, from reaching the courts. This right, according to the Government, was not negotiable, and so forceful were they in this assertion that effective opposition to it failed to develop. The Federal Government for its part, proved reluctant to defend actively either the human rights or the treaty rights of the Northern Manitoba residents.

## CONCLUSION

The case of hydro-electric development in Northern Manitoba is not unlike other development projects around the world in areas inhabited by indigenous peoples. One significant difference between the Northern Manitoba experience and most global development projects is the extensive government participation in the former. While globally, large multi-national corporations are usually the



instigators and executioners of large projects, with local government support, in the case of Northern Manitoba such development was instigated and executed by a Crown corporation, as an arm of the Government. Further, much of the development was undertaken under the auspices of a left-wing, social democratic administration. Clearly the parameters of political economic analysis of underdevelopment cannot stop at the level of the multi-national; global development processes are more pervasive, and more insidious, than that.

It seems ironic that, in its inquiry into Manitoba Hydro's development projects, the Tritschler Report offered only hope that we would learn from history and not repeat the same errors. The same hope was expressed after the Chemawawin relocation, yet the result was an elaboration and an increasing sophistication on the part of the Manitoba Government to ensure the survival of its development plans. It is widely believed in the north that plans are being made to construct additional diversion projects and hydro dams. This brings to mind the following comment offered by two northern researchers:

The examples from both sides of the Atlantic underscore the fact that nowhere are the Fourth World peoples actually *winning* these political-economic struggles. At best, they are obtaining some important concessions, concerning rights in their native regions, where today exploitation and land appropriation threaten their livelihood. In some cases, the recently defined legal rights may be powerful aids to continued economic and cultural viability. In other instances, these rights may prove to be too vague and illusory to offset future losses to development and further integration (Müller-Wille and Pelto, 1979:14-15).

In Manitoba, successive waves of hydro-electric development in the last two decades have played a significant role in enhancing the political sophistication of the northern Native communities. One can only hope that the next time they are called upon to defend their rights and interests they will have some left to defend.

#### NOTES

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2. Three other Cree communities were affected by the Grand Rapids Hydro Project, though none as seriously as Chemawawin. These were the Reserves of Moose Lake, Grand Rapids, and the Pas.
3. The role of the Community Development Officer in Chemawawin was essentially that of community advocate. He produced a seemingly endless stream of communications to the Forebay Committee and other members of the Provincial Government, explaining the situation and warning of the dire consequences sure to result from the manner in which the Forebay Committee was executing its mandate. There is little evidence that his advice was heeded. The Community Development Officer also produced the only pre-project community study of Chemawawin, to facilitate the planning and development of the new community. It appears as though his recommendations were largely ignored.

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