

Native leaders band together to broker direct investment deals with China

JOE FRIESEN From Monday's Globe and Mail

When a group of more than 100 Canadian native leaders arrives in China six weeks from now, they will carry a message that is both historic and disarmingly straightforward: China has vast wealth to invest, and Canada's native communities, with their access to timber, coal and minerals, want to do business.

The China-Canada Aboriginal Business Opportunity will be the largest international native business initiative ever undertaken, according to Calvin Helin, a native lawyer and businessman organizing the trip.

"The opportunity to bring investment into Canada on a scale like this is enormous for the whole nation," Mr. Helin said.

"The problem in the aboriginal community historically is that we have resources and we have assets but we don't have any capital or expertise to develop them."

Native leaders have traditionally been cast by opponents as obstacles to investment, insisting on environmental protections or lengthy consultations that slow the pace of development. But Mr. Helin argues a tide has turned. A new generation of native leaders is seeking investment in their territory on their own terms. By negotiating nation to nation, offering themselves as business partners to Chinese investors, aboriginal leaders can use their leverage over traditional territories in exchange for an equity stake in the business, he said. "Dealing directly with the first nations essentially eliminates that uncertainty," Mr. Helin said. "The Chinese are interested because it gives direct access to key players and their resources."

The group expects to meet with top-ranking Chinese businessmen and possibly a member of the politburo, the country's top political body. They will explore deals in coal and timber from northern British Columbia, potash from Saskatchewan, forest products from Manitoba and diamonds from the territories.

Darrell Beaulieu, CEO of Denendeh Investments Inc., an investment group funded by the 27 Dene First Nations of the Northwest Territories, will be looking to secure Chinese investment in a road that would run through the Mackenzie Valley from Wrigley, NWT, to Tuktoyaktuk on the Arctic Ocean. Mr. Beaulieu said the road would open up other investment opportunities in the North, provide jobs and training for local aboriginal communities crippled by unemployment, and lower food prices inflated to astronomical levels (\$12 milk, \$40 hams) by air-transport costs. What he describes as former prime minister John Diefenbaker's dream, a road network from sea to sea to sea, could be realized in a public-private partnership with Chinese investors, Mr. Beaulieu said.

The Department of Foreign Affairs and International Trade did not comment on the sovereignty issues associated with these proposals, which might pique the interest of those who support foreign ownership caps on natural resource extraction. But spokeswoman Renée David said they would support aboriginal business leaders in their attempts to build ties in China.

The trip will coincide with a Canadian trade mission involving five provincial premiers, organized by the Council of the Federation and the Canada China Business Council. Native leaders are quick to stress that their new posture will not mean that business will be done at any price, because environmental protections remain of paramount importance. "We don't want to sell out for a quick buck," said Lawrence Joseph, grand chief of the Federation of Saskatchewan Indian Nations. "I encourage development wholeheartedly, provided there's an environmental balance [that] looks after Mother Earth." Mr. Joseph was part of a delegation that travelled to Taiwan this year and signed an \$800-million memorandum of understanding on oil sands exploration, and secured a \$37-million investment in a hog operation.

In July, a small delegation of B.C. chiefs travelled to China and signed a letter of intent with a Chinese company to pursue the purchase of B.C. native band forestry products and a memorandum of understanding on mining. "When we brought out our drums and regalia, they understood culture, they understood tradition and the history of indigenous peoples. That made an impact on the people we were dealing with, and we were able to bridge a gap," said Grand Chief Edward John of B.C.'s First Nations Summit, the organizer of the July trip. "Given the string of victories in the courts, government and industry are slowly but surely recognizing they have to talk to our people, whereas previously they waved a piece of paper under our nose and proceeded with their development over our objections. That legal landscape has changed dramatically," he said.

"It has always been at our expense in the past. That dynamic will change, and is changing, when we deal with the Chinese or other foreign groups directly."