

ECONOMIC BASE STUDY
for the
GORDON INDIAN RESERVE

TO BE RETURNED TO ROOM ████

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~~RESOURCES DEVELOPMENT SECTION,
DEVELOPMENT SERVICES DIVISION,
INDIAN-ESKIMO ECONOMIC DEVELOPMENT BRANCH,
DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT, CENTENNIAL TOWER.~~

WHY NOT RETURN IT, YOU WILL THEN
KNOW WHERE TO BORROW IT AGAIN.

RESTRICTED

Submitted By:

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CANADIAN URBAN AND REGIONAL PLANNING

EDMONTON

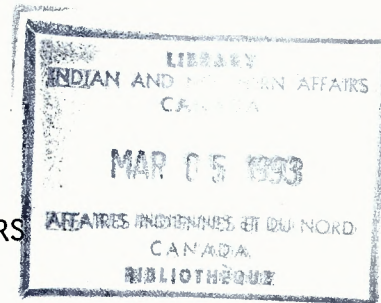
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ECONOMIC BASE STUDY
FOR THE
GORDON INDIAN RESERVE

PREPARED
ON BEHALF OF THE
DEPARTMENT OF INDIAN AFFAIRS
AND
NORTHERN DEVELOPMENT
GOVERNMENT OF CANADA

FOR THE
GORDON INDIAN RESERVE
SASKATCHEWAN



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January 8th, 1971

Government of Canada
represented by the
Department of Indian Affairs and
Northern Development
1874 Scarth Street
Regina, Saskatchewan.

Gentlemen:

I am enclosing five copies of the final draft of the report on the Economic Base Study of the Gordon Indian Reserve for your perusal and attention.

Within the next few days I shall meet with members of the Band Council of the Gordon Indian Reserve to present and discuss my findings with them in order to present to you a final report with conclusions and recommendations having meaningful content.

Although my undertaking is coming to completion, I shall consider future involvement, with my services at no cost either to your Department or the Gordon Indian Reserve.

Respectfully,

CANADIAN URBAN AND REGIONAL PLANNING
George T. Liguori

GTL.ab

TERMS OF REFERENCE

By virtue of the Agreement between the Government of Canada, represented by the Department of Indian Affairs and Northern Development, and Canadian Urban and Regional Planning signed on the 8th day of August 1969, the Economic Base Study for the Gordon Indian Reserve is to be guided by the following objectives:

1. To investigate in depth the economic and resource base of the above mentioned reserve. Information to be presented in such a manner that the formula used may be readily applied to the reserves in the Province in the light of their particular economic and resource circumstances.
2. To provide a complete understanding of all local resources (land, labour and capital).
3. Pinpoint weakness in the local economy and provide guidelines for remedial action.
4. Identify resources of the reserve and recommend ways in which these may best serve the community.
5. Assist in the establishment of development policies for the reserve based on adequate information considering the structure of the community.

INTRODUCTION

The theme of this report is the Economic Base Study of the Gordon Indian Reserve.

Basically, one of the prime objectives of the E. B. S. (Economic Base Study) is to evaluate the employment and income prospects necessary to identify and measure the economic base of the community (e.g.: a municipality, county, metropolitan area, Indian Reserve, marketing area, geographic unit, etc.).

In this particular undertaking, the Gordon Indian Reserve has been selected to serve as methodological model, the method of which, with minor modifications, could be used to study the economic activities and potential of Indian Reserves in the Prairie Provinces.

The report has been divided into two parts. Part I begins by presenting the physical aspects of the Gordon Indian Reserve, a brief general historic background of its residents, the demographic characteristics of its members, and an examination of the economic activities of the Reserve inclusive of projection of population and income data to the year 1980. Part II presents the summary, conclusions and recommendations of the report in addition to the inclusion of a selected bibliography.

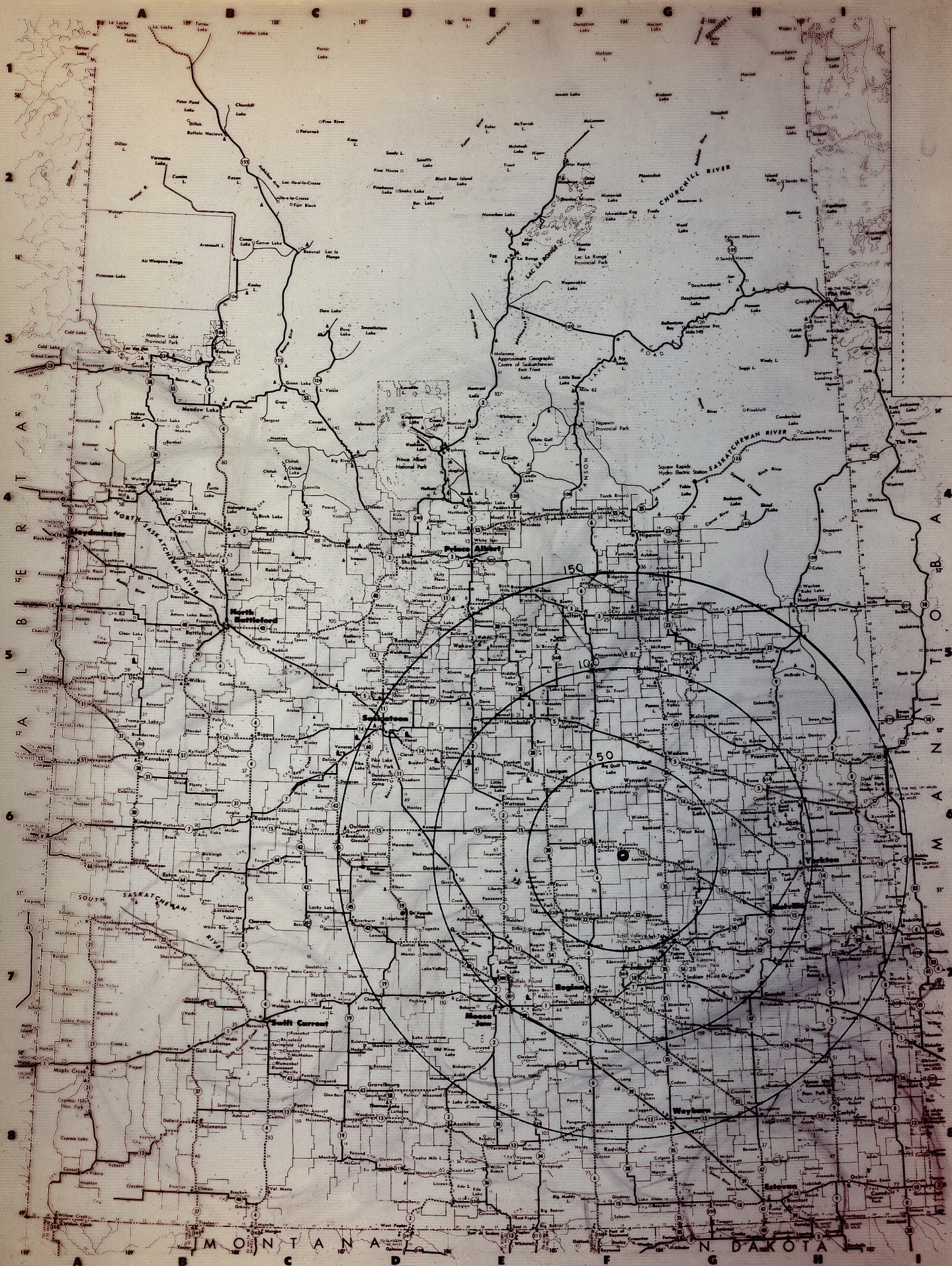
As in other studies of this kind, the E. B. S. for the Gordon Indian Reserve has been delimited and analyzed with emphasis on the employment and income aspects of the subject matter that are primarily measured according to the labour force data. Although the data available is somewhat scarce,⁽¹⁾ the projection also reflects from trends evolving

(1) Source: the primary sources for the labour data have been extracted and extrapolated from the following:
Dominion Bureau of Statistics, field surveys and Dun & Bradstreet; the latter on confidential basis.

in Saskatchewan and Canada. On these bases we have projected employment and income to the year 1981.

During the course of this undertaking the surveys in the field greatly assisted in ascertaining the reliability of published data with the consequence that various information and official data had to be re-evaluated and on few occasions disregarded. Further, and hopefully with some compensating effects, personal values (some acquired during the interviews and meetings on the Reserve) have infiltrated, at random, in the report.

In conclusion, it must be stated that it would be of great importance to the Department of Indian Affairs and Northern Development and to the various Indian Reserves to acquire a continuity of research in order to adjust and revise projections to trends that, although adequate now, may in time become less than adequate. This continuity of research will be facilitated also by the more reliable data expected to become available with the Census of 1971 when issued by the Dominion Bureau of Statistics.



RADIUS IN MILES TO TOWNS AND CITIES

ACKNOWLEDGEMENTS

This report could not be complete without an expression of appreciation to the many people that, either through their collaboration in this study or through their quality, some in both ways, have assisted me.

Particularly and most important my expression of thanks to Mr. J. J. LeVert, Regional Director of the Department of Indian Affairs and Northern Development in Regina for his patience, cooperation and understanding of my negligence in providing the report when due; to Mr. S. C. Read of the Department of Indian Affairs and Northern Development for his trust in my ability to contribute meaningfully to the amelioration of life on the Reserve; to Chief Hillard McNab of the Gordon Indian Band, for his dedication to the cause of the Indians on the Gordon Reserve in particular and in Saskatchewan, and for the "short course" teaching of Indian social values that I shall always cherish; to William T. Morris for his assistance during the field survey work; last but not least to my friend Dr. Vladimir Salzyn of the University of Alberta, for his editorial advice and contribution to the report.

Needless to say the study, conclusions and recommendations of this report are my own and are not the responsibility of anyone else.

EXPLAINING THE ECONOMIC BASE STUDY

As briefly mentioned in the "Introduction" an E.B.S. (Economic Base Study) is a method by which the economic activities of a community can be identified, measured and projected by defining the community to be studied, by dividing the economy of the community into two segments - one segment that includes firms and individuals (or groups) serving markets outside the community, the other segment that includes firms and individuals (or groups) serving markets within the community.

The goods and services that are sold outside the community are called "exports" (this includes all sales for goods and services made outside the community). The goods and services that are sold inside the geographic boundaries of the community are called "local" and used for local consumption.

Because the economy of the community should consist of those activities which provide employment and income, the "Exports" are to be considered the catalyst for the local economy. For example: the manufacturing plant located on the Gordon Indian Reserve, sells both to the "export" market and to the "local" market, although the latter is in small proportions. Thus, employment at the plant and income from the plant tend to rise or fall according to a great degree, on demands from the "export" market.

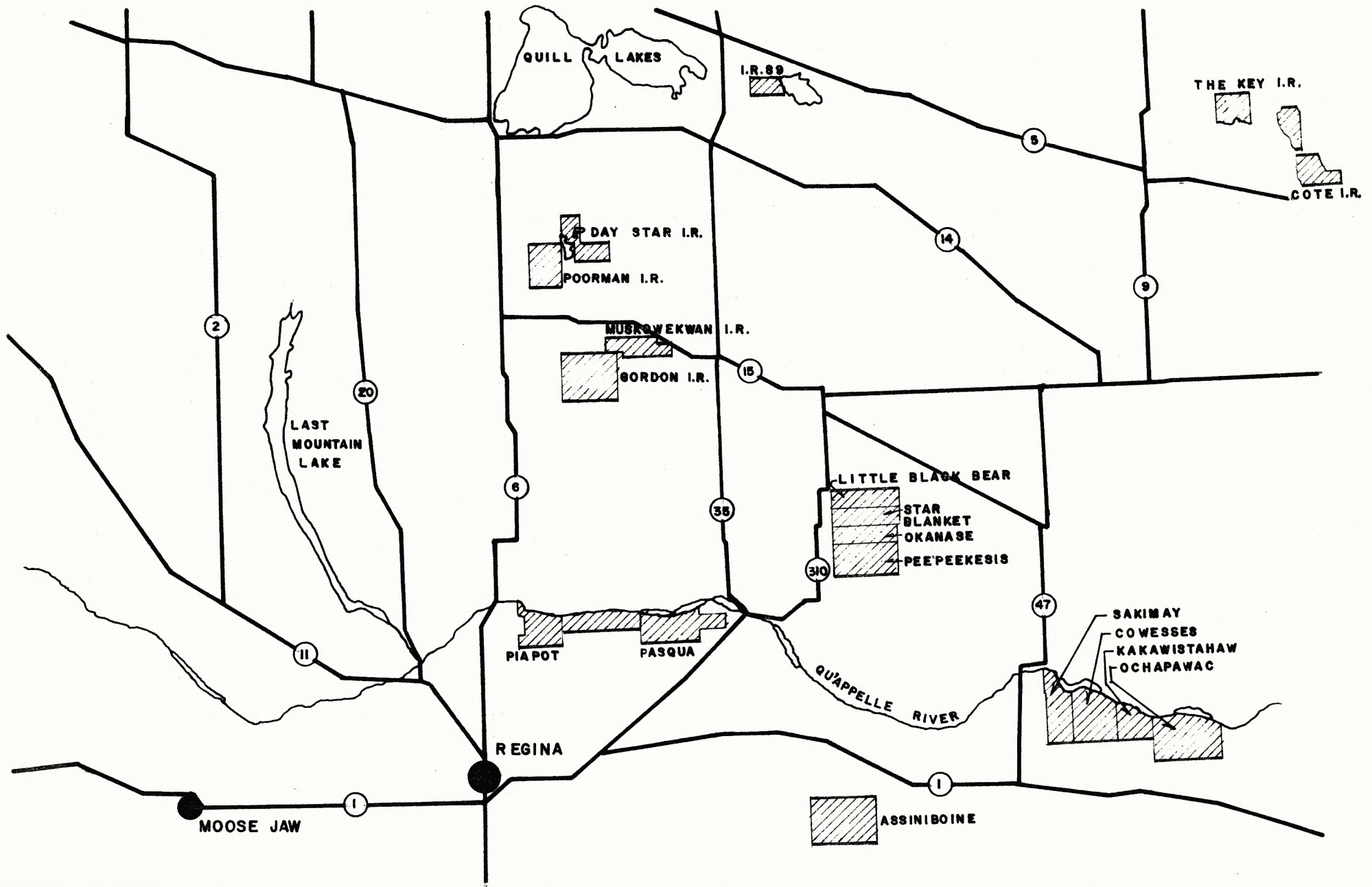
Implicitly if employment and income from the "export" market rise or fall, the "local" market, being the smaller of the two, is greatly affected. Thus, the "export" employment is to be considered "basic". Proportionally, in the long run, an increase of four "basic" jobs, creates six "non-basic" jobs.

One of the important uses of an E. B. S. is the preparation of some kind of forecast, although a forecast is not necessarily part of a base study. When the economic forces which have made the community

what it is are understood, it is easier to project how these and other economic forces will affect the community in the future. In addition, these projections can help in forecasting changes in population, income, land use, and possibly, public expenditures. It further helps in the planning of a wide range of public and private needs on the Reserve (e.g.: housing, transportation, utility services, capital budgeting, etc.).

The major benefits that an E. B. S. provides may be grouped as follows:

1. E. B. S. provides an understanding of current sources of employment and income.
2. E. B. S. can pinpoint weaknesses in the community's economy.
3. Information resulting from an E. B. S. assists in making governmental decisions.
4. An E. B. S. and a periodic examination and revision allows a community to evaluate its progress over time.
5. An E. B. S. is a valuable tool for individuals and groups to evaluate investment potentials on the Reserve.



GORDON RESERVE and OTHER RESERVES
 IN THE REGION — Southern Saskatchewan

CANADIAN URBAN and REGIONAL PLANNING
 — S.T. LIGUORI
 EDMONTON — REGINA

PART 1

THE ECONOMIC BASE ANALYSIS

THE RESERVE

The Gordon Indian Reserve is located 5 miles south of the Town of Punnichy, in the central part of an agricultural area of Saskatchewan, approximately 87 miles from the city of Regina and approximately 139 miles from the city of Saskatoon.

The land, comprising of 36,000 acres of contoured hills is of semi-arid nature with sparse vegetation of small birch, aspen and poplar trees with a wide variety of shrubs such as Saskatoon berry, Chokecherry, etc. Strawberries and raspberries grow wild. Approximately 80% per cent of the land on the Reserve is primarily Classes 4 and 5⁽¹⁾ and it is to be considered arable land only in parts. The remainder of the area is covered with organic soil and stones, water ponds and a small lake primarily used by the residents for swimming and recreation.

The climatic conditions are similar to much of the rest of the Province with a mean temperature of +12⁰F in the winter months and +67⁰F in July; extremes below -50⁰F and above +100⁰F have occasionally been recorded in the area.

The greatest estimated percentage of residents on the Gordon Indian Reserve are members of the Cree nation that for centuries roamed the prairies of what is now known as the Province of Manitoba, Saskatchewan and Alberta in addition to the States of Montana and North Dakota. A small number are descendants of Crees, white traders and settlers that lived in the area and remained long after fur trading and trapping were considered profitable sources of income for most of them.

(1) Source: Canada Land Inventory Capability Classification.

Today, although the majority of the members of the Gordon Indian Reserve are Crees, an influential minority includes members of mixed ethnic origins.

The data on the population and population characteristics of the members of the Gordon Indian Reserve have been tabulated, classified and examined, the results of which form the major components of this report.

Table I shows the population distribution by age group, sex group and "on" or "off" the Reserve group.⁽¹⁾ The age groups showing the largest number of members are the 11 - 15, 16 - 20, 21 - 25 groups with the 0 - 5 age group showing a slow rate of growth. The trend mentioned above compares favourably with the average rate of growth of the Indian population from 1949 to 1967⁽²⁾.

Attempts for presenting a meaningful measurement of the "on" or "off" group has met with a degree of disappointment primarily due to the fact that the 16 - 20, 21 - 25, 26 - 30 age groups tend to have high migrating propensities.⁽³⁾

(1) Source: Indian Affairs and Northern Development. Only a fractional section of the results from the computer run has been used in this report. Additional copies of the computer run are available upon request.

(2) Source: D. B. S. Canada Year Book, 1969, Ottawa: Queen's Printer, 1969, p. 188, Table 36.

(3) For the purpose of this report "on" means persons living on the Reserve and "off" means persons not living on the Reserve.

TABLE 1

POPULATION BY AGE GROUPS, SEX, "OFF" AND "ON" LOCATION*
YEAR 1968

	To 5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	61-65	66 Over
Male	111	70	54	41	32	23	22	13	17	13	7	6	4	13
On	89	50	49	34	22	14	17	10	13	12	6	5	4	9
Off	22	20	5	7	10	9	5	3	4	1	1	1	-	4
Female	95	77	54	37	34	19	17	21	12	8	7	6	5	13
On	81	59	34	27	23	14	11	14	9	8	5	5	3	9
Off	14	18	20	10	11	5	6	7	3	-	2	1	2	4
Total	206	147	108	78	66	42	39	34	29	21	14	12	9	26

*Source: Computer Run for the Gordon Indian Reserve, p. 27.

An observation tested and the findings of which were corroborated by members of the Gordon Indian Reserve shows an interesting trend for some young adults to return to the Reservation to resume permanent residency. This trend, although not indicative of a reverse migratory process, lends to a few rudimentary considerations for the causes. The primary reason seems to be founded on the assumption of socio-economic improvements on the Reserve (e.g.: housing, proposed utility services, proposed self-government, etc.). The secondary, and not less important, is the persistent cause of alienation usually found by Indians when living in urban centres.

Table 2 shows the population data of the Gordon Indian Reserve from 1951 to 1969 and projection to 1980.

TABLE 2

POPULATION OF THE GORDON INDIAN RESERVE
YEARS 1951 - 1969* PROJECTIONS TO 1980**

	1951	1955	1961	1965	1968	1969	1971	1975	1980
Male					423	439			
Female					399	412			
Total	410	490	630	720	822***	851	900	990	1000

*Source: extrapolated from D.B.S. Census of Canada and census data from Department of Indian Affairs and Northern Development - Population Returns.

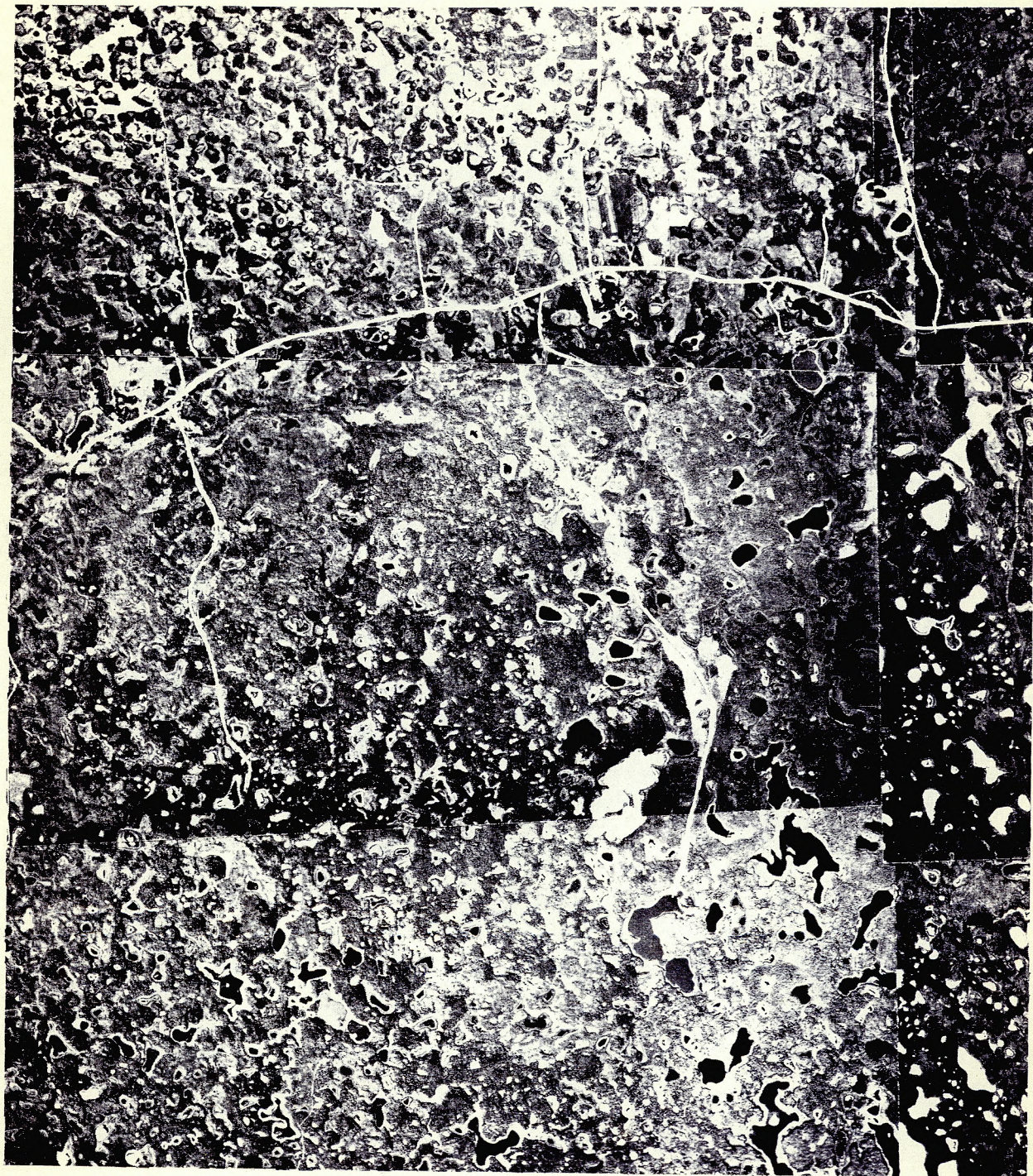
**Source: Derived and calculated from Census of Canada data of 1951, 1961 and 1966 in addition to data calculated from Population Returns of the Touchwood Indian Agency 121.

***Source: The computer run for the Gordon Indian Reserve shows a population at December 1968, of 831 persons (426 males and 405 females).

The growth of the population on the Gordon Indian Reserve in the late 1950's and early 1960's is now showing signs of deceleration of the rate of growth and will tend toward a decline of population sometime between 1975 and 1980.

In the past 15 - 20 years the rate of growth of the population on the Reserve has depended primarily on the value system that the Indian man has had in his relation to the Indian woman. Fortunately, or unfortunately - depending which sex one wants to defend, many new job opportunities, chiefly in the service industries that are more suitable for females than for males is affecting the value system on the Reserve. The number of jobs open to males with limited education is declining, not only on the Reserve, but everywhere in Saskatchewan and in most areas of Canada. These factors, in addition to the advent of the "pill" tend to cause a negative effect upon the rate of family formation and births as young people on the Reserve desire greater opportunity of individual expression and achievement.

The net effects of these trends, primarily found in a society in the process of urbanization, upon the value system on the Reserve is the set of problems created in search of a solution.



AGRICULTURE

Among the major sources of employment and income,⁽¹⁾ Agriculture is of prime importance and in this particular study, of structural importance.

The total land acreage of the Gordon Indian Reserve consists of 35,389 acres of rolling land (see aerial photograph of the Reserve on the previous page) of which 550 acres are farmed by the members of the Reserve, 8,640 acres are leased to farmers in the district, 9600 acres leased to P.F.R.A., 4,500 acres consist of water and wetland and the balance of 12,100 acres remain more or less unused with the exception of land used for housing sites, the residential school grounds, the pre-fabricated housing plant site and roads.⁽²⁾

Of the many variations in the quantity and quality of soils in and in the proximity of the Reserve the grey wooded appears to be dominant.

The type of farming consists almost exclusively of livestock (146 cattles - May 1969) providing full time employment to 3 persons and part-time employment to 3 more.

The value of farm products sold for "export" in 1968 exclusive of the annual revenue from leases to non-Indians is approximately 20,000 dollars. No products have been sold to "local" consumption.

The value of farming capital investment consists of buildings, livestock, implements and machinery with an aggregate monetary value of approximately 65,000 dollars.

(1) The sources used in this study consist of: Agriculture, Manufacturing, Construction, Transportation, Trade, Service, Government.

(2) Source: Department of Indian Affairs and Northern Development. Unpublished material, May 1969.

The significance of the type of farming, the value of products sold and the capital investment value become more apparent when compared to the agricultural potential of the Reserve. First, from an economic point of view the factors above mentioned indicate the extent to which land on the Reserve is utilized. Second, as it will be expanded later in the report, the factors above mentioned point to the direction of greater industrialization of the agricultural sector and greater expertise from the farm operators in order not only to cope with the process of change, but also to effect change in a matter that would be beneficial to the Reserve as a whole.

In summation of the part dealing with agriculture, Table 3 shows the actual and estimated potential of agricultural employment and value.

TABLE 3
AGRICULTURAL EMPLOYMENT AND VALUE*
ACTUAL AND ESTIMATED POTENTIAL

	Acres Cultivated	Persons Employed		Man Hours		Capital Value Dollars	Value Sold 1968		Aggregate Personal Income	
		Exp.	Loc.	Exp.	Loc.		Exp.	Loc.	Exp.	Loc.
Actual (1968)	550	8				65,000			14,000	
Potential	14,400	24	2			600,000			56,000	8,000

*Source: Derived and calculated from unpublished data of the Department of Indian Affairs and Northern Development and D.B.S. Census 1961.

The estimated potential of agricultural employment and value does not include the possibility of introducing other agricultural sources of employment (e.g.: tree cultivation, potato farming, etc.) as discussed later in the report.

MANUFACTURING

Manufacturing is a secondary industry that not only is sought after by almost all communities and regions, but also requires a high degree of sophistication and ingenuity of management and capital formation as they adapt to the everchanging market conditions.

The manufacturing industry on the Gordon Indian Reserve consists of one prefabricated housing plant that has been in operation since 1967 producing housing units primarily sold to other Indian Reserves in Saskatchewan.

The number of employees working at the plant fluctuate between 9 and 17 out of 29 persons employed in manufacturing.⁽¹⁾ The type of occupations in the prefabricated housing consists of: carpentry, electrical installations and wiring, painting, roofing. The estimated man-hours per year (in the year 1968) was 60,000 almost exclusively used for the fabrication of approximately 46 housing units. The aggregate wages fluctuated between 90,000 dollars in 1967 and 127,000 dollars in 1969. The estimated wages for the year 1968 were approximately 110,000 dollars.⁽²⁾

The value of products sold in 1968 was approximately 270,000 dollars and the greatest number of units were sold to the "export" market and 8 housing units were sold to the "local" market.⁽³⁾ The materials and equipment necessary for the fabrication of housing units are totally manufactured and purchased outside the "local" market.

(1) Source: Computer run, Gordon Indian Reserve, p. 13.

(2) Source: letter of information from the Touchwood Indian Agency at Wynyard, dated September, 1969.

(3) Source: Insurance Proposal list of housing on the Gordon Indian Reserve, 1968.

The capital investment for the plant and equipment, dated September 1969, was approximately 81,000 dollars, and the estimated value for the year 1968 was 74,000 dollars.

Employment in manufacturing at the Gordon Indian Reserve consists of 28 persons representing 3.4 per cent of the population of 831 persons. The occupational characteristics of members of the Reserve, other than the ones employed at the pre-fabricated housing plant, can not be adequately ascertained. It must be assumed that the occupational nature of their work takes them "off" the Reserve on a temporary basis.

The general decline of the economy in Saskatchewan in the last few years will tend to affect Indians more than non-Indians, and, thus causing those members assumed employed "off" the Reserve to return home while unemployed.

In addition, the general trend of the economy tends to adversely affect the Indians first, points to the evidence that, in Saskatchewan, the manufacturing sector of the economy is becoming less important as a source of employment. At the national level, manufacturing plants tend to locate in areas either near the major sources of supplies or tend to locate near the market place, with preference for the latter. The Gordon Pre-Fab Housing plant is located neither near to the major sources of supplies or neither near to the market place. The preceding factors in addition to the questionable costs of production of the housing units tend to create an environment detrimental to the proper operation of the plant.

In summation of the portion of the report dealing with manufacturing, Table 4 shows the actual and potential of manufacturing employment, value sold and income.

TABLE 4

MANUFACTURING - EMPLOYMENT AND VALUE*
ACTUAL AND ESTIMATED POTENTIAL

	Housing Units Produced		Persons Employed		Man Hours		Capital Value	Value Sold In 1968		Aggregate Personal Income	
			Exp.	Loc.	Exp.	Loc.		Exp.	Loc.	Exp.	Loc.
Housing Plant	38	8	13	4	26,000	8,000	74,000	228,000	48,000	90,000	32,000
Others			11		20,000			40,000		40,000	
Total	46		28		54,000			312,000		162,000	
Potential	50		21		40,000		85,000	375,000		120,000	

*Source: Derived and calculated from the letter of information of the Touchwood Indian Agency, Dun & Bradstreet and D.B.S. Manufacturing Industries of Canada.

Diversification in manufacturing is the desirable aim for proper development of this sector of the economy on the Reserve.

CONSTRUCTION

The construction industry is a secondary industry found practically in every community where the contractors, the builders and the repair workers compete "locally" and in the "export" market.

The industry may be divided into two groups, building construction and engineering construction. The building group is concerned primarily with the construction of residential, industrial, commercial, institutional and other buildings. The engineering group is concerned with the construction and maintenance of roads, highways, waterworks, sewage, irrigation, electric power, telephone, telegraph and others.

On the Gordon Indian Reserve the construction industry employs 4 persons with at an estimated 1,500 man hour for the year 1968. The aggregate wages fluctuate between 2,000 and 5,000 dollars per year with an estimated wage of 3,500 dollars in 1968.

The value of building construction is relatively small primarily due to the pre-fabrication and installation of housing units on the site performed by the employees of the Gordon Pre-Fab Plant and calculated in the "Manufacturing Section".

The engineering construction group is almost non-existent and consists primarily of road maintenance and manual labour. The total value of which does not exceed 500 dollars for the year 1968.

Table 5 shows the summation of the construction industry on the Gordon Indian Reserve.

TABLE 5
 CONSTRUCTION INDUSTRY - EMPLOYMENT AND VALUE*
 ACTUAL AND ESTIMATED POTENTIAL

	Persons Employed		Man Hours		Capital Value	Value Sold In 1968		Aggregate Personal Income	
	Export	Local	Export	Local		Export	Local	Export	Local
Actual		4		1,500	500		4,000		3,500
Potential		7	3,000	4,500	2,000	9,000	4,500	7,000	4,500

*Source: Derived and calculated from the field survey of Canadian Urban and Regional Planning, September 1969.

The portion of Table 5 dealing with the potential of construction has been measured and compared in relation to an average community in Saskatchewan having similar number of people living in the town whose members provide certain essential services.

In general the construction industry must be of substantial importance in a community in providing employment and income. In many cases it becomes the catalyst from which all other activities grow. The Gordon Indian Reserve is no exception and indications will be presented in Part II.

TRANSPORTATION

The transportation industry is part of what may be called the basic infrastructure in any community, primarily it provides the links within the community and between points outside that community.

The number of persons employed in the transportation industry consists of 4 persons of which 2 persons must be considered "off" the Reserve. The total wages fluctuate between 2,000 to 3,000 dollars per year and the man-hours approximately 1,800 for the year 1968.⁽¹⁾

Table 6 shows a summation of the part dealing with transportation.

TABLE 6
TRANSPORTATION - EMPLOYMENT AND VALUE
ACTUAL AND ESTIMATED POTENTIAL

	Persons Employed		Man Hours		Capital Value	Value Sold In 1968		Aggregate Personal Income	
	Export	Local	Export	Local		Export	Local	Export	Local
Actual	4		1,800					2,700	
Potential	4	3	2,400		36,000			21,000	

The potential of transportation employment and income is primarily based on the acquisition of motor vehicles by members of the Gordon Indian Reserve in order to take maximum advantage of market possibilities that appear to be dormant at this time.

(1) Source: Field Survey of Canadian Urban and Regional Planning, November 1969.

TRADE

Trade includes the retail and wholesale activities of the community economy. Retail outlets are found everywhere in the region with the exception of the Gordon Indian Reserve.

Large stores are becoming dominant in the retailing industry,⁽¹⁾ small stores in small towns tend to provide the type of merchandise at higher costs caused by low sale volume and increasing transportation costs. On the other hand the small store offers the customer the advantages of convenience, proximity to residence and at times extension of personal credit not possible with large stores.

The wholesale trade is also becoming centralized increasingly, as faster means of transportation and communication are developed and utilized.

As previously mentioned no retail or wholesale trade activities exist on the Reserve. In the Town of Punnichy, where most of the residents in the area shop at one time or another it has been estimated that the aggregate amount of trade exceeds 160,000 dollars per year.⁽²⁾

The employment of Indians in the "trade" sector has been included in the "Others" sectors.⁽³⁾ However for the purpose of this part of the report Table 7 shows the "Trade" potential of employment and income if "Trade" was located on the Reserve.

(1) In Canada the average sales per store increased from about 70,000 dollars in the year 1951 to 100,000 dollars in 1961 and in 1969 the average approached 150,000 dollars.

(2) Source: Field Survey of Canadian Urban and Regional Planning, November 1969, Dun & Bradstreet.

(3) Source: Computer Run for the Gordon Indian Reserve, p. 13.

TABLE 7
 TRADE - EMPLOYMENT AND VALUE
 ESTIMATED POTENTIAL*

	Persons Employed		Man Hours		Capital Value	Value Sold		Aggregate Personal Income	
	Export	Local	Export	Local		Export	Local	Export	Local
Actual									
Potential		9	10,000		240,000		90,000		25,000

*Source: Derived and calculated from D.B.S. "Patterns of Family Expenditures by Income, All Families and Individuals", Canada, 1964: field survey data sheet on "buying habits", September 1969.

SERVICES

The service industries are usually large and growing ones employing a rapidly increasing number of people. They are divided into: education and related services, health and welfare services, religious organizations and commercial services.

On the Gordon Indian Reserve the Gordon Residential School provides, after the Pre-Fab Plant, the major source of employment and income that, if meaningfully developed, may, in time, become not only the major source of employment and income, but, after a few changes, may become the focus point of social activities in the area.

The Gordon Residential School provides employment for 26 persons of which 6 are members of the Gordon Indian Reserve with an annual income of 18,000 dollars and producing 18,000 man-hours per year.⁽¹⁾ The school, does not serve the needs of the Gordon Indian Reserve and many school age children, (there are 179 on the Reserve) are bussed to the schools in Punnichy where they frequent classes with students from the town and the area. In addition 9 students frequent vocational schools in other parts of the Province.

Available educational facilities on the Reserve not only would assist the Indians in controlling the quality of education for their children, but would also provide a major impetus of economic activities primarily beneficial to the Reserve as a whole.

The health and welfare services that are part of the "Service" group includes hospitals, medical services, other health services and welfare services. The latter is the only service that exists on the Reserve

(1) Source: Field survey, Canadian Urban and Regional Planning, March 1969.

and it is now undergoing a period of examination and evaluation by the Department of Indian Affairs and Northern Development and the Council of the Gordon Indian Reserve. In expectation of a successful transfer of administrative responsibilities from one authority to another, this study will discuss welfare only briefly and, in relation to it, as a source of income.

The cost of welfare for the year 1968 was 147,000 dollars and it was distributed amongst 681 persons at approximately 215 dollars per capita.

The commercial services that are also part of the "services" group include the amusement and recreation industry, business services such as accountancy, advertising, law, engineering, management services, personal service industries such as barber and beauty shops, laundries, cleaners, hotel, restaurants, taverns and building maintenance.

In Canada, employment in this group is increasing at a rate that is much faster than the rate in total employment, but not nearly as rapidly as employment in health and education which, in the last few years have been moving far ahead of all other sectors of the economy in greater opportunities for employment and income.

The commercial service group does not function on the Gordon Indian Reserve and this service of employment is primarily centered in the town of Punnichy, where many of the 27 persons employed in the "Service" sector work.

In summation of this sector of the report Table 8 shows the actual and potential employment and income.

TABLE 8
 SERVICES - EMPLOYMENT AND INCOME
 ACTUAL AND POTENTIAL

	Persons Employed		Man Hours		Capital Value	Value Sold		Aggregate Personal Income	
	Export	Local	Export	Local		Export	Local	Export	Local
Actual	20	6	21,000	12,000		21,000	18,000	21,000	165,000*
Potential	15	14	15,000	21,000		15,000	32,000	40,000	303,000*

*The amount is inclusive of welfare payments for 147,000 dollars.

GOVERNMENT

This sector includes the administration of services that are provided for all the members of the Gordon Indian Reserve through the elected representative of the Band Council.

The composition of the present Band Council, elected April 26, 1968 is as follows: Hilliard McNab, Chief; David Cyr, Frank M. Cyr, Henry Cyr, Sanford Fisher, Bryan McNab, Kenneth McNab, William G. Morris, William T. Morris, Councillors. In addition Councillor William T. Morris acts as Secretary-Treasurer for the Gordon Band.

The Band Council has administrative jurisdiction over village subdivisions (nil), domestic water systems (nil), sewage systems (nil), electric power (supplied by Saskatchewan Power Corporation), housing (there are 80 dwelling units at an aggregate value of 486,000 dollars), employment on the Reserve, welfare (jurisdiction on welfare will be transferred in the near future) leases and revenue therefrom (in 1968 the value was 17,000 dollars), bus service (6,000 dollars budgeted in 1968), recreation and Reserve lake front (1,000 allocated in 1968) and pasture maintenance.

Employment from "Government" sources provides a source of income to 4 persons, approximately 1,000 man-hours annually and wages estimated at (in 1968) 4,000 dollars.

Table 9 on page 22 shows a summary of the "Government" as a source of employment and income.

TABLE 9
 GOVERNMENT - EMPLOYMENT AND INCOME
 ACTUAL AND POTENTIAL

	Persons Employed	Man Hours	Capital Value	Value Sold	Aggregate Personal Income
	Export Local	Export Local		Export Local	Export Local
Actual	4	1,000			4,000
Potential	6	6,000			25,000

PART 2

SUMMARY

CONCLUSIONS

RECOMMENDATIONS

INTRODUCTION

The economic base of a community consists of all industries and economic activities operating within it.

For the purpose of this study only those industry sectors of the economy, that are major sources of employment and income on the Gordon Indian Reserve have been examined. The other sectors of the economy (e.g. forestry, mining, finance-insurance-real estate) were grouped in "others" and not measured as sources of employment and income because of the insignificant actual or potential contribution to the "export" or "local" economy.

In general, the export industries in a community provide the basis for economic growth. Thus the economic growth of a community tends to depend largely upon external factors. These external factors manifest themselves primarily in the form of increases, or decreases, in the demand for exports of the community, capital imports (for industrial or agricultural development and cost reductions, or increases, in regional industries.

As employment and production change in the export industries, employment and production, also change in the local industries which serve the needs of the population in the community. On the basis of an export industry, there is a multiplication of growth in the local industries and an expansion of the flow of income in the community by providing additional jobs and income from funds which come directly from outside the community. This in turn induces the creation of more jobs in local industries and general rise in income.

This part of the report will discuss in some detail the forces that are necessary and must be present to induce changes in employment and income on the Reserve.

THE ECONOMIC BASE OF THE GORDON INDIAN RESERVE

In order to appraise the employment and income prospects of the Gordon Indian Reserve it is necessary to examine its economic base. This has been examined in the greatest degree possible with the data available. Now to the summary of the findings.

The future employment and income growth for the members of the Gordon Indian Reserve depends, primarily, upon the growth of the "export" industries. These have been identified and related to the labour force data of the Reserve. Now these industries will be related to the whole of the Canadian economy by comparing the ratio of employment in an industry to the total employment in the community and then comparing these to the ratio of national employment in the industry to the total national employment. If the community ratio in the industry exceeds the national ratio, it is an indication of that community specialization and export activity.

Although the kind of approach assumes productivity of labour to be the same in the community as in the nation, its overriding usefulness is in the assistance in the identification of export industries.

TABLE 10
INDUSTRIES - EMPLOYMENT
AND PER CENT OF TOTAL LABOUR FORCE

INDUSTRIES	CANADA 1961	GORDON I.R. 1968	GORDON I.R. MAN-HOURS
Agriculture	9.9	3.4	N/A
Manufacturing	2.1	8.4	8.4
Construction	6.2	1.7	0.4
Transportation	3.2	1.7	0.4
Trade	5.1	(
Service	13.8	(7.6	5.6
Government	1.9	1.7	0.4
Total per cent of Labour Force	42.2	23.5	15.2

Table 10 (Industries - Employment and Per Cent of Total Labour Force) indicates that the manufacturing sector is the only export activity on the Gordon Indian Reserve. Concurrently the table also indicates the degree of development of the other sectors when compared to the national figures for the year 1961.

Furthermore, table 10 points to the difference of total per cent of labour force employed in the selected industry sectors (42.2 per cent in Canada 1961 and, on the Gordon I.R. 23.5 per cent or 80 persons in a labour force of approximately 340 persons). The employment figures decrease considerably when measured against the man-hours output for employment (15.2 per cent of labour force equivalent to approximately 52 persons working full time).

LABOUR FORCE AND PROJECTIONS

Table 2 on page 4 presents the calculation and projection of population on the Gordon Indian Reserve from 1951 to 1980. From this an extrapolation of age groups show that in 1968, 24.8 per cent (206 persons) of the population "on" and "off" the Reserve were in the 0 - 5 years old age group, 17.7 per cent (147 persons) were in the 6 - 10 years old age group, and 13.0 (108 persons) were in the 11 - 15 years old age group. These three age groups alone account for 55.5 per cent of the total population of 831 persons and, potentially, all entering the labour force within the next 15 years.

Concurrently, the number of Indians leaving the labour force during the same period of time will be approximately 47 or 5.6 per cent of the present population.⁽¹⁾

The present labour force of approximately 340 persons will be in the excess of 700 persons by 1980.

The summation of actual and potential employment shown in Table 11 points out again at the weaknesses of the economic activities on the Reserve.

It is evident that the number of persons entering the labour force is greater than the present and potential capabilities of the Reserve to supply adequate sources of employment and income in a manner

(1) Source: Calculated from the Computer Run, p. 2. A margin for omissions and errors will fluctuate the per cent of persons leaving the labour force between 5 and 6 per cent of the present population.

TABLE 11

SUMMATION OF TABLES 3 - 4 - 5 - 6 - 7 - 8 - 9
ACTUAL AND POTENTIAL*

	Persons Employed		Man Hours Thous.				Capital Value Thous. \$				Value Sold Thous. \$				Aggregate Personal Income Thous. \$			
	Export		Local		Export		Local		Export		Local		Export		Local			
	a**	b**	a	b	a	b	a	b	a	b	a	b	a	b	a	b		
Agriculture	8	24	2						65	600					14	56	8	
Manufacturing	24	19	4	2	46	32	8	8	74	85	264	375	48	-	130	120	-	
Construction			4	7			1.5	4.5	.5	2			9	4	4.5	7	3.5	4.5
Transport	4	4	-	3	1.8	2.4			36						2.7	21		
Trade			9						10						90		25	
Services	20	15	6	14	21	15	12	21			21	15	18	32	21	40	165	303
Government			4	6			1	6									4	25
Totals																		
Actual	46		18		68.8	22.5			139.5	-	285	70			167.7	172.5		
(Potential)	62		39		49.4	49.5			203	240	399	126.5			244	365.5		

*Sources: Derived and calculated from various sources of D. B. S., computer run for the Gordon Indian Reserve and based on the "theory of multiplier in economic base studies". Thus the figures placed between parenthesis represent the potential for employment and income, and must be considered as optimum.

** Column a represents actual employment figures and column b represents potential employment figures.

that may be found satisfactory to the present and future expectation of the members of the Gordon Indian Reserve.

Table 12 (Total Labour Force by Industries - Per Cent of Totals - Projection for 1980) presents figures derived and calculated from various sources of D. B. S. and the computer run for the Gordon Indian Reserve.

TABLE 12
TOTAL LABOUR FORCE BY INDUSTRIES
PER CENT OF TOTALS
PROJECTION FOR 1980*

INDUSTRIES	CANADA	GORDON I. R.	GORDON I. R. MAN-HOURS
Agriculture	3.4	6.3	3.7
Manufacturing	1.9	5.	3.
Construction	5.9	1.6	1.
Transportation	8.6	1.6	1.
Trade	4.8	2.1	1.3
Service	32.5	6.7	4.1
Government	7.9	1.7	1.
Total per cent	65.0	25.0	15.1

*Source: Derived and calculated from various sources of D. B. S. and computer run for the Gordon I. R.

The present employment figures of 15.2 per cent of the labour force (see Table 10) will tend to fluctuate at 25 per cent of the labour force or 97 persons at full employment. Alternatively, and in consideration of the present structure on the Reserve, employment could increase to 48 per cent of the labour force or 163 persons employed at full and part-time occupations.

It is becoming evident that the potential capabilities for employment on the Reserve can not expand rapidly or sufficiently to absorb all those that by the year 1980 will enter the labour force. Although the employment increase will more than double, the number of persons in the labour force that may not be able to obtain employment will exceed 500 or approximately 50 per cent of the population.

CONCLUSIONS

The major objective of the E. B. S. is to evaluate the economic activities on the Gordon Indian Reserve, and identify those industries that, if and when developed, may provide greater opportunities for employment and income on the Reserve.

The previous evaluation of "export" and "local" industries points to numerous weaknesses in the economic system of the Reserve that require further consideration.

Agriculture, potentially an "export" industry, remains underdeveloped providing employment and income for 8 persons or 3.4 per cent of the labour force. Development to optimum state of production would provide employment for 26 persons (24 in the "export" sector and 2 in the "local" sector) and aggregate personal income for the two sectors at approximately 64,000 dollars per year.

Manufacturing, an "export", industry is exclusively concentrated in the pre-fabrication of housing units primarily sold to other Indian Reserves. The plant, now the major source of employment and producer of income, is operating under conditions that, at best, must be considered uneconomical and precarious as base of stability for employment and income. The restructuring of production, the introduction of cost accounting, the local control of management, the diversification of pre-fabricated products aggressive and competitive sale organization, while tending to reduce employment, would also tend to form a more dependable base of employment and income on the long-range aspects of manufacturing.

Construction, a sector that is absent from the economic activities of the Reserve will develop both as "export" and "local" source of employment generated by external and internal demand of this sector.

Eventually, construction should absorb some of the skilled labour now located in the manufacturing sector.

Transport, now employing 4 persons primarily in the "export" sector will employ 7 persons primarily providing school bus service tending to shift from an "export" sector, as it is now, to a "local" sector.

Trade, now absent from the activities on the Reserve, must be considered an important source for "local" employment, primarily caused by the potential "export" activities of the other selected industry sector.

Services, now employing approximately 26 persons (mostly on part-time basis) is potentially the most important source of employment and income with capacity to employ approximately 29 persons (mostly full-time) at an aggregate personal income, from "export" and "local" activities, of 340 thousand dollars.

Government, the organization of which must reflect and coincide with the social values of the members of the Reserve is now employing 4 persons almost exclusively on part-time basis with the potential capability to employ 6 persons almost exclusively on full-time basis.

The catalysts to the development of the potential capabilities of the Reserve are to be found primarily in the "export" of the agricultural sector and in the "local" of the services sector, with education as the most important factor determining the outcome of any program of development.

RECOMMENDATIONS

The conclusions of the report have focused on the major weaknesses and major potentials of the economic structure on the Gordon Indian Reserve.

The recommendations of this report while focusing on the weaknesses and potentials reflect the consensus of the Band Council that after a period of consultation with the prime consultant have indicated their desire to set forth the followings:

- I. Recognizing the major role that education must have in the development of the economy of the Reserve and its members, it is hereby recommended that education, the construction of educational facilities and the participatory control of the educational system should have priority in the concern to develop the economic potential of the Gordon Indian Reserve.
- II. Recognizing the importance of agriculture in the development of a stronger economic base and as an "export" industry, it is hereby recommended that a marketing feasibility study be undertaken to determine the possible expansion of the agricultural base into the production of "export" goods.
- III. Recognizing the importance of capital formation, participation and organizational control of those programs effecting the members of the Gordon Indian Reserve, it is hereby recommended that assistance be requested to organize a credit union, the objective of which should be to the promotion of financial participation of individual members and the community in the economic development of the Reserve.

IV. Recognizing the importance of continuous evaluation and examination of the economic activities of the Reserve, it is hereby recommended that Mr. George T. Liguori be appointed economic-planning consultant to the Gordon Indian Reserve.

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* Excerpts from the Hanson's report have been quoted in this report and credits should be given to Dr. E. J. Hanson, Department of Economics, University of Alberta.