

James Bay Hydroelectric Project in Québec, 1971-1994
Pre-Film Study Guide for “Power: One River, Two Nations”

The Hydro Project: A Precis

The James Bay Project in northern Québec is one of the world’s largest hydroelectric systems. Built for Hydro-Québec in stages, the project began in 1971. Phase 1 entailed construction of three power stations on La Grande River at a cost of C\$13.7 billion. At the time, this region was home to 5,000 Cree and 4,000 Inuit. The project damaged their communities and flooded 11,500 km² of wilderness land. During Phase 2, which began in 1987, Hydro-Québec added a fourth station on La Grande and proposed construction of a new hydroelectric complex on the Great Whale River. This documentary film (“Power”) covers reactions to this proposal between 1989 and 1994.

History of James Bay

James Bay, an inlet of Hudson Bay in Canada, represents the southernmost tip of the Arctic Ocean and spans the borders of the provinces of Ontario and Québec. (See Figure 1.) The shores of James Bay are widely regarded as the most habitable land in the region. The area hosts hundreds of rivers and an abundance of wildlife, and has been inhabited by Indigenous people for over 8,000 years.

In 1610, this area drew the attention of English explorer Henry Hudson when his ship became icebound in James Bay and the crew sought refuge ashore. Hudson saw the rich fur and mineral potential of the land. By 1668, the first trading post in Canada had been established at the mouth of the Rupert River in James Bay. Additional posts led to formation of the Hudson’s Bay Company.



Figure 1. Location of James Bay

Fur trading and fur farming drove the Canadian economy for the next two centuries, but after confederation in 1867, the Government of Canada focused on agricultural and industrial development. The British Crown acquired western lands from the Hudson’s Bay Company in 1869 and a year later, transferred the lands to Canadian jurisdiction. Indigenous communities were not consulted in these transactions, protested about their mistreatment, and began intimidating new settlers in the West.

The Canadian government then began “land cessation treaty” negotiations with Indigenous communities. “Treaty 1” was concluded in 1871. It committed the Anishinabek and Swampy Cree of southern Manitoba to “cede, release, surrender, and yield up [land] to her Majesty the Queen” in exchange for tracts of “reserve” land, yearly annuities, and a government-run school on each reserve.

Over the next 50 years (to 1921), ten more numbered treaties were signed. They cover large portions of Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, and all Territories. Treaty 9 covers the Ontario-side of James Bay and the Ontario-Québec border. No numbered treaties were signed in Québec.

This guide was prepared by Stephen E. Weiss, Associate Professor of Policy/Strategic Management and International Business, York University, Schulich School of Business, and Cody Greer (MBA '17). It is intended to provide a basis for class discussion, not to serve as a complete factual record or assessment of the actual events.

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According to the preamble of Treaty 9, the lands surrendered by Indigenous people were open “for settlement, immigration, trade, travel, mining, lumbering and other such purposes.”¹ Most terms of the treaty were one-sided and essentially dictated, and in the years that followed, the Canadian government rarely engaged Indigenous people in the development of non-reserve land.

The Plan for a Massive Hydro Project

On April 29, 1971, Québec Premier Robert Bourassa announced plans for the “project of the century”: a multi-billion-dollar hydroelectric complex. He was convinced that the province’s economic development depended on exploitation of its natural resources, and he was also concerned that demand for electricity would outpace supply. (The population of Québec in 1971 was 6 million.) Moreover, Bourassa was wary of nuclear energy. His vision was to dam and divert the rivers feeding James Bay, double the flow of the La Grande Rivière, and establish the largest power-generating site in North America.

Without completing an environmental impact study or consulting the combined 15,000 Cree and Inuit who lived in James Bay (see Figure 2), the Québec government proceeded to build a 620-km remote road for the project. This move, on top of Bourassa’s announcement, galvanized Indigenous communities in protest. They formed The Québec Association of Indians—which marked the first time First Nations banded together for such a cause—and sought to stop any further construction on the project. In November 1973, the Association won an injunction to that effect (the “Malouf Judgment”). This was a major achievement in an era when the rights of Indigenous people had yet to be defined or observed. It was short-lived, however, as the judgment elicited multiple appeals and was suspended pending review by Québec’s Court of Appeals.

Since 1971, the provincial government had negotiated with Indigenous communities informally—that is, without formally acknowledging their claims. In 1974, however, the Court of Appeals upheld the cultural rights of regional communities and required the government to undertake treaty negotiations. The Court overturned the injunction to halt James Bay construction but sparked serious discussions. To represent the impacted communities, the Cree formed the Grand Council of the Crees. Its 20 members included the Grand Chief and chiefs of each of the nine Cree communities of the James Bay Cree. The Grand Council joined forces with the Northern Québec Inuit Association, and they negotiated with government representatives for the next two years.

On November 11, 1975, the James Bay Northern Québec Agreement was signed by the Government of Canada, the Government of Québec, and representatives from each Cree community and most Inuit communities. In contrast to the language of the numbered treaties, this agreement explicitly—and contractually—defined, for the first time, the rights of Indigenous people in Canada. In exchange for



Figure 2. Cree Communities in James Bay

¹ Leslie, J.F. 2016. “Treaty 9,” *The Canadian Encyclopedia*, www.the.canadianencyclopedia.ca/en/article/treaty-9/.

accepting hydroelectric development, they received financial compensation, greater autonomy, reserve-land, environmental protection, educational establishments, healthcare, and social services.²

James Bay I (Phase I) - La Grande Complex

Hydro-Québec, a state-owned public utility formed by the Government of Québec in 1944, manages the generation, transmission, and distribution of electricity in the province. Between 1971-1984, the company built three hydroelectric power stations on La Grande Rivière at a cost of C\$13.7 billion. Collectively referred to as The La Grande Complex, the three stations were labelled LG-2 (later named the Robert-Bourassa), LG-3, and LG-4. LG-2 was completed in 1982, and LG-3 and LG-4 joined it in 1984. LG-2, the largest, has the capacity to produce 7,722 MW of electric power.³ (See Figure 3.)

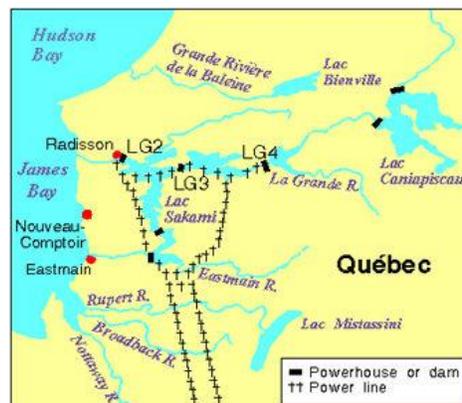


Figure 3: The La Grande Complex

This project, which became known as James Bay I, or Phase I, involved construction of over 200 structures to alter the courses of 19 waterways. The Eastmain, Opinaca, and Caniapiscou rivers—all major water systems—were diverted to dammed reservoirs on La Grande Rivière. Upon completion, the LG-2 reservoir alone covered 2,835 km² (larger than Luxembourg). The main spillway is three times the height of Niagara Falls. Its main dam (Figure 4) is 4 km long. When the entire series of dams and dikes is taken into account, The La Grande Complex stretches 66 km.

Construction of the complex caused massive environmental and social damage. Approximately 11,500 km² of land was flooded, destroying habitat for wildlife and the Cree. The village of Fort George was uprooted and moved to Chisasibi. Flooding led to mercury contamination, which poisoned fish and killed 10,000 caribou. The complex rendered Eastmain River barely a stream.



Figure 4: La Grande Rivière (LG3)

James Bay II (Phase II) - The Great Whale Complex

In 1986, after returning to office from a nine-year absence, Premier Bourassa announced the beginning of Phase II of James Bay and an investment of C\$7.5 billion.⁴ Work on this phase began in 1987 with the construction of LG-2-a and LG-1, which was located at the mouth of La Grande Rivière.

Phase II centered, however, on a new project called the Great Whale (Grande Baleine) Complex. It would require dams on the Great Whale, Nottaway, Broadback and Rupert Rivers and was expected to take 21 years to build at a cost of C\$13 billion.⁵ Promoting it in a CBC interview in 1988, Bourassa emphasized the

² Specific provisions for the Cree included: C\$225 million in funding managed by native-owned development corporations; special hunting and fishing rights on almost 60% of all Québec land; 14,000 km² of reserve land; and environmental and social protection, including systematic, environmental evaluations of new projects.

³ For a sense of scale, consider that 1 MW can supply 600-1,200 residential homes. Precise figures are complicated.

⁴ Bourassa, who represented the Québec Liberal Party, served as Premier from 1970-76 and 1985-94.

⁵ *Maclean's*, Nov. 28, 1994, 107(48):63. Cf. an estimated total cost (for the four rivers) of C\$48 billion in "Cree Legal Struggle against the Great Whale Project," www.gcc.ca/archive/article.php?id=37 (n.d., ~c1994).

low electricity rates for the Québécois people, the attractiveness of low-cost power to foreign investors, and the ability to dedicate almost all production of Great Whale to export markets (namely, the United States).⁶ It is also worth noting that Phase I created 18,000 jobs; Phase II would create thousands more.

Nonetheless, the Cree were still reeling from the consequences of James Bay I. Its full effect was very difficult to grasp, and many issues—environmental and social—remained unresolved. Furthermore, the Cree community of Whapmagoostui was located right at the mouth of the Great Whale River. Still, for Phase II, Hydro-Québec and government agencies took the stance that social effects on communities were unrelated to the project and should not influence its feasibility. In the late 1980s, the Cree challenged Québec's rights, sought an injunction (again), and formed alliances with environmental activists.

Broad Political Context: Québec Separatism

Views on James Bay development were not sheltered from contemporary politics in the province. Since the early 1970s, a significant portion of the population had sought independence from the rest of Canada, and “separatists” recognized that economic wherewithal was important for an independent Québec. James Bay had the potential to play a major role in Québec's economic development and independence.

In 1990, the Meech Lake Accord, which recognized Québec as a “distinct society,” failed to be fully ratified. The following year saw the formation at the federal level of a political party devoted to Québec nationalism: the Bloc Québécois. It did well in the 1993 federal election. In the 1994 provincial elections, the secessionist Parti Québécois won, and their leader, Jacques Parizeau, promised a referendum during his term. In the meantime, the Cree became quite concerned about how Québec's future would affect them.

Hydro-Québec in 1989

In 1989, Hydro-Québec generated C\$5.3 billion in annual revenue, employed 22,773 people, and contributed C\$619 million in funds (net income) to the revenue side of Québec's 1989-90 budget of C\$31 billion. The company supplied all of the province's power needs and exported the rest of its production. Exports from James Bay I in 1987 went to Canadian provinces and to the USA (New York, Maine, Vermont) and added C\$700 million to annual revenue. (Exports to the USA had a disproportionate effect on income since Hydro charged Americans more than it charged locals.) In 1989, Premier Bourassa and New York State Governor Mario Cuomo signed a US\$13 (C\$17) billion contract for Hydro-Québec to supply power to the state. By then, Cree opposition to the Great Whale Project (James Bay II) had greatly intensified.⁷

Point of Departure for Viewing the Film (“Power: One River, Two Nations”)

This film documents subsequent events and various aspects of the Great Whale dispute (1989-94). The Cree were led by Grand Chief Matthew Coon Come; Hydro-Québec's CEO was Armand Couture. The two parties and their stakeholders had very different sets of interests. Could the parties negotiate with each other and reach an agreement that would satisfy these interests?

⁶ See <http://www.cbc.ca/archives/entry/james-bay-project-grand-plans-for-more-hydro-power>.

⁷ Sources for figures: 1) www.simplebooklet.com, 2) : http://www.ottertooth.com/Native_K/jbcree.htm, and 3 & 4) www.thecanadianencyclopedia.ca.