

Beyond the fur Trade: The Rise and Fall of the Eskimo¹ Co-operative

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This paper is a case study of post world war two state intervention in the Canadian Arctic and the birth of the Eskimo co-operative movement. The argument is that the native co-operative is in the process of becoming a marginalized institution in the face of the development of a corporate structure consequent upon settlement of land claims. Specific reference is made to Arctic Quebec where aboriginal title has been settled although, it is argued, a similar process is occurring across the Arctic.

Cet article analyse l'intervention étatique d'après-guerre dans l'arctique canadien et la naissance du mouvement coopératif Inuit. Il y est soutenu que la coopératif indigène devient une institution marginale face au développement d'une structure corporative suite au règlement des litiges sur les terres. Bien que ce processus se produise dans tout l'arctique, c'est surtout sur l'arctique québécois, où des accords sur les possessions aborigènes ont été conclus, que porte cet exposé.

Successive waves of outsiders have wrought great changes in the Canadian Inuit economy. Few analyses exist, however, of events after the fur trade which has been of almost no significance since the middle of this century. The focus of this paper will be on the period of state intervention after the second world war, a period marked by the rise of state-initiated native co-operatives and the recent development of a corporate structure. Although I refer specifically to Arctic Quebec, where aboriginal title has been settled, most Inuit have passed through the same historical periods to find themselves in a common predicament. In less than one hundred years, the subsistence economy, in which production was mainly (but not exclusively) for use,² has been transformed to one involving a mix of subsistence hunting and gathering, simple commodity production, some permanent, but mostly casual, labour and relief and transfer payments.

Although there were specific regional differences, the native economy may be organised into five overlapping socio-economic periods: (1) The Subsistence Economy which was based on hunting and gathering and lasted until the latter part of the nineteenth century (2) The Fur Trade and Mission Era in which trapping for exchange was added to subsistence hunting and gathering and which declined in importance in mid-twentieth century (3) The Development of a State Structure after World War II with trapping and subsistence activities being supplemented by wage labour and government transfer payments and relief (4) The Development of Native Enterprise in the form, mainly, of co-operatives which expanded commodity production and opportunities for wage labour and also succeeded in forging links of ethnic solidarity among

Inuit and (5) The Development of a Corporate Structure which resulted from the birth of Eskimo politics in the 70's and which has fostered the rise of an indigeneous élite.

The development of a state structure

Prior to the second world war, state interest in the north focussed on the land (mapping and some communications facilities) while the people and administrative functions were handled by what came to be referred to as a "triumvirate," consisting of missionary, trader and policeman. Looking after the education and health of the natives, the missionaries functioned as agents of the state. In addition to their own pursuits, the traders "took care" of the economic well-being of the people, buying furs and extending credit (a form of welfare) when hunting was poor. The police, present in the interests of sovereignty, performed administrative functions for the state (Rea, 1968:52).

Post World War II state involvement was drastically cahnged and the three often-cited reasons for this are: (1) a perceived need to expand sovereignty over Canada's northern territories (2) a growing awareness of the resource potential of the area and (3) an appreciation of the plight of the natives, many of whom were, literally, starving to death (Rea, 1968:55). The Department of Indian Affairs and Natural Resources was set up in 1953 and, as the title implies, its role may be broken down into the functions of legitimation and accumulation. "Indian affairs," which included those of Inuit, were dealt with by the extension to the north of health

and welfare programmes in place in southern Canada (legitimation) and the continued presence of the RCMP who ensured, for instance, that children attended school through the judicious withholding of social assistance (coercion). The "natural resources" mandate of the department was fulfilled through state investment in social capital overhead facilities (transportation, electricity), a move which provided access to resources and was, therefore, directly beneficial to private enterprise. The state also undertook to stimulate local economies through the exploitation of renewable resources and the creation of wage labour for natives. One explicit, if inconsistently adhered to, ambition was to encourage assimilation of the native population into the western wage economy and lifestyle. Gordon Robertson had this to say about the state's plans for the natives in a 1960 speech to the Institute of Public Administration of Canada:

The plan for educating the native both academically and vocationally, is a good one but should not be rushed. In time, this will permit the assimilation of the native into our society and also assist industry and government by establishing a pool of trained personnel who are familiar with the north (371).

In spite of the fact that the native people were few in numbers, dispersed across 40 per cent of the Canadian land mass, unskilled and virtually all unable to speak either of Canada's official languages, they were to be put on hold as a reserve army to be called up when all other alternatives had been put to work.

The provision of new services to the north meant the building of schools, nursing stations, administrative offices

and housing for imported personnel. These were usually constructed at the site of the trading posts in spite of the fact that their locations had been chosen to satisfy the demands of the fur trade (access to ports, for instance) and were not necessarily suitable to support large colonies of people. There are now 22,300 Inuit living in approximately 50 towns across the Arctic, most of them comprised of no more than a few hundred people. They are too large for their population to be supported from the land and too small and scattered to permit the development of viable local economies or extensive internal exchange.

Movement of Inuit from the camps into the new administrative centres, mainly voluntary but in some cases coerced, began in the mid 50's and, in some areas, was not completed until the mid 60's. The acculturation process was, of course, greatly accelerated in towns. Earlier contact, with trader or missionary, had been on a one-to-one basis and although biased, at least occurred at a pace more or less governed by Inuit who decided when they would go into the post to trade and who were, in many cases, unable to speak directly to the whites. Change which had been gradual and relatively non-disruptive under the fur trade was now greatly accelerated and resulted, predictably, in considerable social disorganization.

The first effect to be noted was the deterioration of formerly self-reliant people into dependent people. The lifestyle demanded by town living depended heavily upon outside institutions. Although they were the numerical majority, Inuit townsmen were an effective minority. They had once patterned

their own lives according to a biologically determined rhythm -- a time for catching caribou and a time for making clothes -- but town life was decisively patterned by outsiders who had direct access to outside support systems. Planes and ships began coming into isolated northern villages on a more or less regular, though infrequent, schedule but nothing they contained (mail, foodstuffs, equipment) was addressed to Inuit. Their cargo was the "property" of the white residents who administered it, at their discretion, to the "community." Actually, there was very little feeling of community among the Inuit who were family oriented and lacked a strong ethnic identity. Simard (1972:18 et al., esp. Vallee, 1967) observes that Inuit did not adjust easily to life in the new urban centres but tended to resist integration through adherence to their old camp identities.³

Apart from the social disorganization attendant upon town living, the development of the people as consumers and their deterioration as producers was almost immediately evident. Firearms had, by now, virtually replaced harpoons and spears and the most significant material changes which occurred were the move from skin tents and snowhouses into wooden houses and the shift in dependence from country food to preserved food. The trading posts expanded their stocks of imported goods in order to provide for new needs which were generated from necessity (as an alternative food and clothing source) and from emulation of the transient white population. Increasing reliance upon imported consumer goods led, inevitably, to the loss of formerly necessary hunting and handicraft skills which had been

passed, in apprentice fashion, through generations of their ancestors. For the first time, Inuit became large-scale consumers and occasional producers, providing for themselves through a combination of hunting and trapping (for use and exchange), some handicraft production, wage labour and social assistance. The latter was the solution most often resorted to as game in the immediate area was used up and the town population continued to swell through migration from camps and improved health care.

Native enterprise: the co-operative movement

Potentially profitable, non-renewable resource exploitation was left in the domain of private enterprise while attempts were made to establish native enterprise in the form of co-ops based on commercial fishing, handicraft programmes and, in some cases, retail stores. A great deal was expected of these co-operative ventures. As Arbess (1966:47) says, "the official policy was that the Eskimo people should, with all deliberate haste, have control over these organizations in all of their aspects, and should regain their self-sufficiency." Statements to this effect, and there were many, should not, however, be taken too literally. "Self sufficiency" was used rather ambiguously to mean that natives should exploit renewable resources more vigorously than formerly in order to generate a profit which would eliminate the need of government funding. They were, it might be added, expected to do this with little hope of generating internal exchange and in the face of a massive deficit of social capital overhead facilities.

Canada's position vis à vis northern development has always been marked by considerable ambiguity and it may be speculated that the co-operative form of business was considered the ideal development tool because it enabled the natives, hence, the state, to keep one foot in both worlds. Americans had forthrightly declared that the traditional culture must be suppressed in the interests of assimilating Alaskan natives. The Danes took the opposite, but equally unambiguous, stance that Greenlanders, being inferior, could never be assimilated and should, therefore, be helped to become better Eskimos. Canadians, however, have waffled somewhere in between, believing on the one hand that the culture was doomed and the people must be assimilated and, on the other, that they should be helped to live off the land in ways which would not cause undue violence to the traditional culture and the noble savage concept. Co-operatives, capitalizing on traditional activities and values, were a felicitous form, accommodating Canadian ambiguity by both "modernizing" Inuit and enabling them to retain reassuring roots in the past. As Louis Tapardjuk, president of Canadian Arctic Co-operatives Federation Limited, sums up, "We're all aware that the co-op is the best vehicle for joining the two activities of culture and money" (Proceedings, 1980:14).

Organization and economic impact of co-operatives

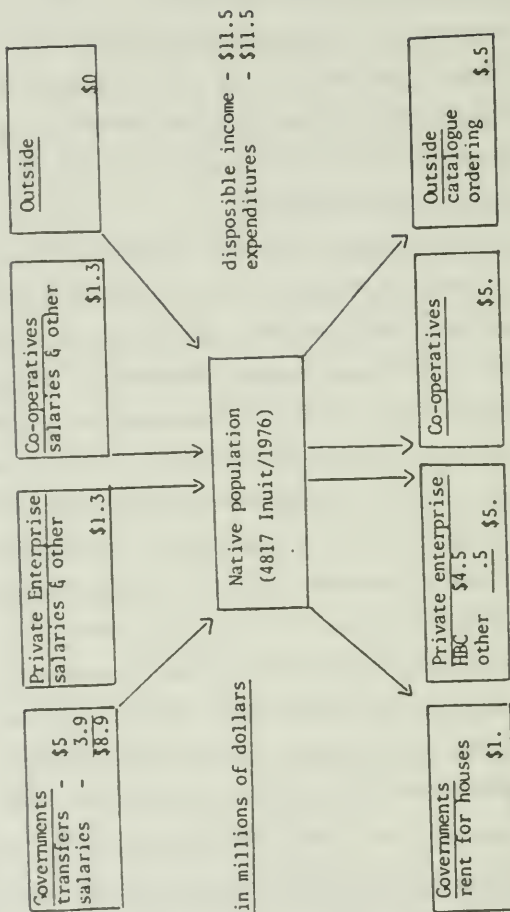
The first Eskimo co-operative, based on commercial fishing, was set up in 1959 on the initiative of the federal government. There are now 38 active Eskimo co-ops across the Arctic, affiliated through two Federations.⁴ Ten Arctic Quebec co-operatives

(including one mixed Indian and Eskimo) are members of the Montreal based La Fédération des Coopératives du Nouveau-Québec, while the Northwest Territories' co-operatives are members of Canadian Arctic Co-operatives Federation Limited, based in Yellowknife. The Quebec movement has no links to the powerful Desjardins Co-operative organization but the Northwest Territories' movement has established some links with the western Canada co-operative movement.⁵

Combined membership figures (for the Northwest Territories and Quebec) are not readily available but it may be safely assumed that virtually all of the Inuit population is involved in one way or another with their local co-operative. Membership lists are, in any case, often not current and some people use the co-operative and consider themselves members without actually signing up. More revealing than compilations of book memberships is the support given co-operatives in terms of local purchasing. The pattern for 1976 in northern Quebec may be seen in illustration one.

Since the Hudson's Bay Company (HBC) and the co-operative compete for local business in almost every northern village, a meaningful way of evaluating support for the co-op would be through a comparison of the money spent at each place. The fifty-fifty split shown in the diagram below is so neat that it is immediately suspect. The Hudson's Bay Company has consistently refused to make its numbers available although Beaulieu claims to have confidential information supporting this division which, coincidentally or not, has been the working hypothesis of Arctic Quebec co-op management for the past several years.

Income and expenditures in Arctic Quebec/1976



Source: Beaulieu, 1980:26 (translation by author)
 Based on Inuit population only and the assumption that
 savings are virtually non-existent.

The competition between the Hudson's Bay Company and the co-operatives is complicated. Although co-ops are native-owned and have taken both official and unofficial steps to hinder the Hudson's Bay Company from operating in competition with them,⁶ most Inuit continue to support the "Company," their loyalty stemming from their appreciation of its having been around when times were rough to avert famine and death. Some Inuit are also coming to realize the benefits of having more than one source of consumer goods and, especially, more than one outlet for their carving production. Only committed native co-operators now talk about removing the HBC from the north. Others complain that co-op prices are higher than the Company's, and their merchandise inferior. Some threaten to sell all of their carvings to the HBC if they do not get the price they want from the co-op.

There is, of course, more information to be gleaned from the diagram above, although space permits only a few further comments. The tertiary sector is, as we might expect, dominated by the state which provides 75 per cent of revenue, in the form of salaries (34 per cent) and transfer payments (41 per cent). The co-operative and the Hudson's Bay Company each account for 50 per cent of non-state revenue. Actual payouts by the co-ops increased from \$1.3 million in 1976 to \$3.1 million in 1979 and although it is not known, definitely, how this increase compares with increases in payouts from state and private enterprise, it may be that the relative percentages have shifted considerably since the federal government has withdrawn many of its northern operations (in Quebec) and a new native-owned

employer, Makivik Corporation, has come on the scene. In any case, the amount spent on salaries by the co-operatives cannot be correlated, in terms of jobs provided, with that spent by other organizations, especially the state, since the co-ops have historically paid lower salaries than the competition.⁷ To be meaningful, information on wage and salary payouts needs to be supplemented with the numbers of jobs provided by the various agencies, with account being taken of the fact that a large percentage of co-op payouts would be for cottage industry production of handicrafts.⁸ At the time of Vallee's work, the state was the largest employer in terms of jobs but Treude (1972:23) claimed that, in 1971, co-ops provided 280 permanent jobs, "making them the largest employer in the Canadian Arctic." I would estimate that there are now 500 full time jobs provided in the whole Arctic co-op system. Unfortunately, the information needed to make a comparison with other organizations is not available, although a 1979 publication from the two Arctic Federations maintains that co-ops continue to be "the largest employer of native labour in the Arctic" (Facts & Figures, 1980).

State assistance to Eskimo co-operatives

In spite of co-op disclaimers, it is commonly believed that there is an over-reliance by co-operatives on state assistance. Vallee (1967:27,44) for instance, downplayed the Povungnituk co-op's claims to have pulled itself up by its own "bootstraps" (paraphrased), suggesting that this was mere propaganda designed to encourage people to support the co-operative. Although it had a definite promotional value, it was also the

serious intention and, for a while, the achievement, of Arctic Quebec co-operatives to "do it on their own." In fact, it was state policy that they should since, as I have mentioned, state-initiated projects were expected to become self supporting as quickly as possible.

In the beginning, state-owned buildings and equipment were provided. State assistance also took the form of technical and financial field personnel to train native co-op staffs. Since the income of Inuit (who were mainly supported by welfare at the time) meant that it was impossible for them to raise sufficient working capital through the sale of shares or through application to private financial institutions,⁹ an Eskimo loan fund (ELF) was set up by the state in 1953 "to make low cost loans to individual Inuks or to groups for starting small businesses and exploiting local resources" (undated hand-out). Treude (1972:5) reports that the maximum loan available from this fund in 1972 was \$50,000, payable over ten years at 5 per cent. In 1975, ELF ceased to offer subsidised interest and went to the full market rate and there is now no ceiling on the amount of individual loans.

Although the history of state financial intervention is interesting and illustrative, I will merely touch on a few highlights here.¹⁰ Combined federal and provincial support to Arctic Quebec co-operatives from 1963 to 1978 inclusive was \$7,242,000, of which the federal government provided 42 per cent and the provincial government 58 per cent. Most of Quebec's input (73 per cent) was, however, in the form of loans, while the federal government input was mainly (69 per

cent) in the form of grants. There was, however, no federal assistance provided in '64 and '65, a mere \$10,000 in '66 and nothing in '67 and '68. This reflected a basic disagreement between co-op personnel and government project officers as to how co-op affairs should be run. The federal government was persuaded to resume assistance in 1969 and, in 1976, federal inputs took a giant leap, from a \$150,000 loan the year before (to stave off bankruptcy), to \$646,500. This was the beginning of a five year plan to rationalize state financing of Arctic co-operatives. Now in its final year, the plan resulted from a study done by the federal government's Bureau of Management Consultants (BMC) who concluded that state intervention was necessary; for, as a result of growth and a continuing inability to raise private funds, the co-ops were desperately in need of working capital. The BMC group recommended a self-development programme to be funded by a mix of contributions and loans, with the idea, of course, that, at the end of the five year period, the co-operatives would indeed be self sufficient.

In the early 70's, the affiliated Arctic Quebec co-ops had boasted of diminishing government support and increasing self-sufficiency. Figures compiled by the author at the time demonstrated that, in four years, the ratio of state to co-op support had been reversed. In 1967, the state provided 61 per cent of the co-ops' funding requirements and, in 1970, only 34 per cent. If these figures were updated, it would be seen that, because of the BMC programme, the trend has again reversed, although not approaching anywhere near its 1967 disproportion.

Much more work needs to be done to assess the significance of state assistance to native co-ops, especially on a comparative basis since it must be recognized that there is still a relative lack of social capital facilities in the north where "the normal superstructure that undergirds business ventures in the south is almost entirely absent"(Phalen, 1974:1). Services are more expensive in the north than in the south and stores must be resupplied by expensive air freight or once yearly marine transportation. This means financing huge inventories of bulky staples (flour, sugar, tinned goods) and equipment (canoes, motors, ski-doo's) which are ordered for a year ahead and have to be paid for in advance of sales. Any comparison should also take into account the fact that the state has, over a ten year period (1970 to 1980), provided \$27.1 million to various organizations involved in northern land claims research, but only \$9 million over a twenty year period (1960-1980) to all the Arctic co-operatives. This amount should also be evaluated in light of the federal government's budget for 1980-81 northern spending of \$856 million.

Co-operative Activities

Co-operative activities fall into two categories:

(1) those involving the provision of goods and services locally and (2) those involving production for export. In the first group are included retail stores, oil and gas sales and delivery, restaurant and hotel operations, recreation facilities (movies and poolrooms), the sale of country food, and construction programmes. The second group comprises the production of

furs for export, commercial fishing, the collection (and formerly cleaning) of eiderdown, tourist programmes and arts and crafts production.

Expansion in the first area is limited because of the small and scattered market which prohibits internal exchange and the lack of linkage between production and consumption.¹¹ Commercial production is for export, except in the case of country food which accounts for only a small percentage of total local sales. As far as expansion in the second area goes, although ongoing efforts are expended to develop exportable products, most have failed because of the high cost of production anywhere in the north. Many things have been suggested and tried (and are being suggested again): food processing, component assembly, saw mills, logging operations, tanneries and, even, the manufacture of ivory surgical pins for orthopedic use! Ruffing (n.d:36) makes the point (with reference to the Navajo Nation) that North American natives cannot compete with "Asian sweatshops" and "are one of the latest victims of the new international division of labour." The manager of the Quebec Federation puts it more simply: "Anything you can do in the north, you can do cheaper somewhere else" (Murdoch, April, 1981).

In spite of the co-operatives' efforts to diversify, most revenue continues to be derived from consumer, rather than producer, activities. Beaulieu (1980:42) estimated that, in 1977-78, 76 per cent of the total business done by northern Quebec co-ops resulted from consumer activities, while only 24 per cent came from production. The most successful area

of production is handicraft which has taken over from fur as the significant trading commodity. The problem is not, either, simply one of capital. The news has not been good even when relatively large amounts of state money have been available, as it has been for projects sponsored by the government of the Northwest Territories. Garment manufacture at Inuvik has been subsidized for years and although the producing facility is capable of expansion, the market appears not to be. The other factor is, quoting Berger (1977:II:39) "the wishes of the native people themselves." The people complain of being relegated to marginal status and say that they are not content to be shunted into yet more handicraft projects. They recognize that arts and crafts programmes will never be sufficient to bridge the gap between development and underdevelopment. As the white manager of the West Baffin Eskimo Co-operative (Cape Dorset) said at a meeting held to discuss Eskimo art:

Due to the government's failure to develop alternative industry in the north, there is an inordinate pressure on talent in the north to make up for the lack of development. Craft projects seem to be considered the magic solution to everything (Ryan, in Minutes, 1978:48).

It is not surprising that Arctic co-operatives are popularly identified with the arts and crafts programmes since this is virtually the only significant area of production and surpluses from carving and printmaking provide support for non-productive and non-profitable projects.¹² The arts and crafts programmes, carving especially, have been expected to carry the whole burden of northern development for Inuit.

Art as commodity

The carving programme is the major single source of

personal income for Inuit. In Arctic Quebec, for instance, out of the \$3.1 million paid out by co-ops in 1979, \$1,419,000 or 45.7 per cent of this was used to purchase carvings from the local population. The purchase of other crafts would bring this figure closer to \$1.5 million, a figure which would have been higher in the Northwest Territories, an estimated \$2.5 or \$3 million. Until recently, the global significance of income from art programmes could have been determined by meshing purchase figures for the HBC and the co-ops. Northern purchasing by private entrepreneurs has, however, escalated considerably in the past few years, making such a computation more elusive.

Although carvings had been a trading commodity for ten years before the first co-op was incorporated in 1959, it was the co-operatives which organized their large-scale production and distribution as well as assuming some of the development functions formerly exercised by the federal government. Before the co-ops were organized, the Hudson's Bay Company was the main purchaser and, before that, purchasing was organized by the Canadian Guild of Crafts (Montreal), the institution responsible for introducing the first Inuit art to the Canadian public. The initial hope of both whites and Inuit was that carving would provide an alternative to dependence upon trapping. It succeeded in this to a remarkable degree. As Johnny Pov, an Inuk from Povungnituk, said: "Carvings rescued all the people from the wretched situation they were in. If they had to rely only on the trading of fox skins, they would undoubtedly still be poor today"(in Myers, 1977a:n.p). For the first time, Inuit were

freed from eternal dependence upon luck and could expect, more or less by their own efforts, to be able to secure a reasonably steady supply of food. The significant thing was that they could do this without major social disruption. They could carve and still structure their own time. They could work at home or on the land. They could obtain their own raw materials, utilizing traditional relations of production. They did not need to go to school to learn a new skill or to speak another language in order to make their living. They could teach their children.

From the beginning, there has been a direct relation of carving to consumption. Inuit were not attempting to get rich but to satisfy immediate needs. Peter Murdoch, manager of the Hudson's Bay Company in Povungnituk in 1955, observed that an Inuk, needing tea in the morning, would make a carving, sell it to the Company and buy some tea. He might repeat this performance in the afternoon when he discovered he needed some lard or flour (Myers, 1977b:13). Brody (1975:173) also remarked that when a carver needed \$30, he made a \$30 carving. This still tends to be the pattern, with some carvers making very large sculptures for which they might receive \$1,000 to \$6,000, in order to obtain some expensive equipment such as a ski-doo or boat. Peak purchase times for carving coincide with peak buying times -- just before Christmas and just before sea-lift in late summer.

Although there is great inequity in the volume of goods exported and the volume of goods imported, because of the high prices obtained for even trivial carvings, the transfer of

value perpetrated through their exchange may not be as glaring as that occasioned by the fur trade. Ruffing (n.d:29) talks about the transfer of value that takes place (through unequal exchange) when Navajo hand-made products are exchanged for machine-made products. It is interesting to note that some native carvers, quite unversed in economic theory, have wondered why "toys sold in the co-op store, that are made in a few minutes on a machine and break in a few days cost as much as (they) get for a carving that took three hours to make by hand and will last forever."¹³ Although Eskimo carvers can, on an average, make \$20 to \$30 for a few hours' work and, unlike their southern counterparts, do not bear any of the expense or risk of selling their own productions, they must provide their own tools and gather their own materials. Inuit consider this to be the most onerous part of the work of carving since it means, for instance, buying gas at more than \$3 per gallon and travelling many miles by land or water, to hack soapstone out of the frozen ground. This becomes a family task although the extra labour is not taken into account when the carving is finally bought. Since the income from carving does not provide for all of a carver's expenses, he must cover a part of his cost of reproduction through the utilization of his own and his family's labour to provide country food to take up the slack between what he earns and what he needs.

Due to the institution of a a sophisticated marketing strategy, Eskimo art has been a significant commercial success, commanding prices far above that generally obtained for handicrafts. Although the rate of growth has slowed down since

the boom in the early 70's, sales are holding. There is, however, a fear on the part of those involved that the market will disappear or continue to dwindle when what is urgently needed is expansion to take care of an inventory problem which has been nagging for several years but took on acute proportions in 1979. In general, there have been problems with over-production, quality and pricing, the predictable results of a non-selective buying policy.

Problems within the co-operative movement

Although the movement in Quebec succeeded beyond anyone's expectations and was presented in the 1975 BMC Report as a model of what should have been done all across the Arctic, it has been bedevilled by several internal problems and conflicts: north-south trading lines, the emphasis on consumer rather than producer activities, the lack of infrastructure and working capital, the asymmetrical relations of whites and natives and, perhaps most critical, the lack of member support. The latter is a universal problem of co-ops and is particularly telling in times of crisis. A.A. MacDonald, from the Coady International Institute, attended the third conference of Arctic co-operatives in 1980 and in his speech to delegates identified the "unrealistic expectations of members and disloyalty in times of crisis" as one of the factors preventing the farmers' and fishermen's co-ops in Nova Scotia from fully succeeding in their aspirations (Proceedings, 1980:10).

Unlike the situation in which discontented producers organize to further common interests, Inuit co-ops were formed

on behalf of the people. They were deliberately introduced by federal government agents as a mechanism of development. In many cases, due to the difficulty of explaining business concepts to non-English speaking Inuit whose vocabulary, in any case, did not lend itself to economic explanations, co-ops were implemented before the people really understood their operation and implications. It took only a few appeals to their desire to regain self sufficiency (what Vallee, 1967:42 calls "ideological calls to action") and the promise of lower prices for consumer goods and cash returns at the end of the year to convince people to join. In any case, in Quebec, only twelve people were needed to start a co-operative and, in the Northwest Territories, only five (Treude, 1972:6).

The attitude of government project officers charged with setting up native co-operatives was that "they would learn by doing" and the consequence of this was, of course, a lack of support when things were not going well, although a nucleus of committed Inuit supporters did develop and joined white promoters in spreading the message. Although they had a definite ideological appeal, the co-ops' enticement of members on the basis of promises they have been mostly unable to keep, has been a source of much discontent. As Raymond Ningeacheak (from Coral Harbour) said at the third Co-operative Conference (Proceedings, 1980:8):

In the beginning of the co-op movement, the people were told quite clearly that there would be dividends from the operation of the co-operatives to benefit their members. This was one of the major points that was being circulated in the beginning of the co-op movement. Unfortunately, it was given too much prominence and many people expected too much from

this point and not enough from the act of co-operation and common effort that would result from the co-operatives (as translated at the meeting)

The Hudson's Bay Company, with greater purchasing power, has historically undercut co-op selling prices and cash dividends have not generally been forthcoming from the co-ops due to the inability of most to generate surpluses and their need to retain them when they do.¹⁴

Lack of membership support may reflect a deeper, structural problem, the effects of which, I would suggest, are now being felt in earnest. I am referring to the inherent contradiction in an institution purporting to uphold tradition (non-capitalist practices) while promoting change (in the direction of industrialization). Grounded in tradition, co-ops were, and still try to be, committed to making decisions in "the Eskimo way" but, at the same time, they have been obliged to link Inuit into an external market which dictates its own terms. Inuit consider, for example, that anyone, regardless of talent, has the right to earn his living from carving if he so chooses. The co-operatives support them in this attitude by buying anything from everyone. The market, however, places a premium on talent and this has led to inequalities in volume and prices on sales through the co-operative. There is, of course, no option for the co-ops but to take cognisance of the discrimination exercised by the market, if they want to stay in business, that is.

The same process is at work in all areas of co-op activity. A business vocabulary in Inuttitut had to be

developed and this had the double effect of preserving the purity of the language and modernizing it. Basic business concepts and practices (profit-making, budgeting, cash accounting etc) had to be taught; workshop activities introduced; a nine to five workday instituted. By making employees out of some Inuit and bosses/managers/directors out of others, the co-op has also succeeded in bringing about changes in leadership criteria. Sorting Inuit into better and best carvers and businessmen, the new criteria of selection makes it possible for younger men to attain authority over older men and, as Arbess (1966:47) points out, the nature of the authority also changed since that "expected by the co-operative...resided not in an individual but in his position." Yet another acculturating effect of the co-ops proceeded from their efforts to integrate people into the community, "cutting across kinship barriers and religion and creating a solidarity" (Treude, 1972:7).

Although the co-op has gone a long way towards cultural accommodation, it has always been hard-pressed to juggle prerogatives and there is evidence of a growing tendency to put the priorities of the system ahead of the needs or wishes of the people. When the carving market levelled off, for instance, efforts (in Quebec) were directed at increasing the consumption level and profitability of goods sold from co-op retail stores in order to generate the profits necessary to keep the system growing. Co-operative philosophy, however, is that the system exists to serve its members, "a true co-operative excluding any provision for profitmaking in the general

sense of the term" and being concerned, on the contrary, with "providing goods and services to members at cost"(Braid, 1962:21).

The decline of the co-operative

Even though the Eskimo co-operative, a bastardized form of state property, was not internally generated, as collective institutions, all co-ops have the potential of assuming a dynamic of their own and of achieving unintended or intended political consequences. The prairie grain growers' co-operative, for instance, became the basis for populist political organization, whereas the maritime co-operative movement did not achieve broad-based political support. The northern co-operatives transformed the economic and social life of Inuit and sparked a movement with strong nationalistic overtones. In Arctic Quebec, particularly, the co-ops functioned as "underground governments" (Thomas Sulluk, Igalaaq, September, 1980).

Co-ops in northern Quebec have always had a stronger ideological content than those in the Northwest Territories, the result of an informal movement headed by André Steinman, the Roman Catholic missionary in Povungnituk for many years, and P.E. Murdoch, manager of the Povungnituk Hudson's Bay Company in the mid 50's and general manager of the Quebec federation since its incorporation in 1967. Murdoch and Steinman sold the co-operative as an evolutionary form, the natural successor to camp organization and the logical vehicle to bring Inuit into a state of equal participation in the modern world. The frequently remarked evangelical flavour of

the Quebec movement is due, no doubt, to the involvement of the missionary and the ongoing appeals made to traditional values (see Vallee, 1967:43). It is also due to the success of the co-op in Povungnituk where people, once poorest among the poor, now have one of the highest standards of living in the Canadian Arctic. Inuit from this community travelled all over Arctic Quebec to talk up co-ops, promoting them as a way for the people to catch up with the twentieth century and, at the same time, to regain their self sufficiency. This was a message that had great emotional appeal for people just beginning to realize and regret its loss.

The co-operatives failed, however, to legitimate their power. Until recently, the co-op was the only organized voice Inuit had but it was treated as spokesman only reluctantly by the state who, beginning in the early 70's, began sponsoring local Community Councils as representatives of the people. These councils were a feeble concession to political power. Under the guidance of government field staff, they talked about garbage disposal and loose dogs but had nothing to say on the larger issues of game management, education, land and resource use or local government. It was, for instance, the co-operatives which first pushed the issue of self-determination. In Arctic Quebec, the Community Councils and the co-operatives, at the latter's instigation, joined to petition the provincial government for regional government status in 1971. They succeeded in stimulating debate and attracting media and official attention to the cause of Inuit self-determination but, although a bill was drafted (and translated), it was never

presented to Quebec's National Assembly.

The regional government proposal failed because of federal government opposition, provincial government inactivity and Inuit indecisiveness. The federal government's initial reaction was to urge Inuit to join the provincial Indian Brotherhood, a move that would have been welcomed by Quebec Indians (then pressing their own territorial claims within Quebec) since inclusion of Inuit would have extended their claim to include most of Quebec's territory. At the same time, the Quebec government was pressing its territorial claims against the federal government. In 1962, Jean LeSage had announced Quebec's intention of assuming what were then federal responsibilities in its northern regions and, by the late 60's, the province was actively negotiating a take-over from the federal government. The federal attitude was that the transfer would be accomplished when the province was able to provide the services and the people ready to receive them. This meant that, for several years, duplicate federal services and staff were in place in Arctic Quebec (a provincial and a federal school, for instance), creating overlap and dissension. It was probably more than enough to make claims of yet another minority group seeking status most unwelcome.

The failure of Inuit to unite on the issue has been cited by co-op advisors as the factor most responsible for failure of the regional government movement. There were, I think, two reasons for this. In the first place, as Williamson (1977:175) says, Inuit "had always identified with family" and lacked "a real ethnic identity." In the second place, although
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they were attracted by the idea of "being in charge" (for a change), they were unable to conceive of themselves as actually being responsible for carrying on. Although they were ideologically prepared, they lacked the security which comes from experience and economic stability. Uneasy in towns which had a history of only ten to twenty years and possessing only weak links (through the Federation) to outside support systems, Inuit were afraid of losing the state services they had grown to rely on. They said they needed more time to talk about it and to arrive at a consensus (the traditional mode of decision-making) but there was no time. Predictably, land and energy concerns forced the issue.

The contemporary scene: development of a corporate structure

Eskimo politics was born in the 70's when land claims were assuming some urgency and when the first generation of town born and bred Inuit was approaching manhood. Political and cultural organizations proliferated across the Arctic at this time, often with overlapping membership as well as aims because of the small population they served. Inuit Tapirisat of Canada was founded in 1972. In that year also, given that Quebec Inuit had refused to join the Indian Association, the federal government set up the Northern Quebec Inuit Association (NQIA). While Arctic Quebec Inuit were still trying to make up their minds whether to continue lobbying for regional government status or to go along with the government's proposal to set up "their own," Inuit, association, the decision was made for them. Like the co-operative, NQIA was

put into place, presumably with the idea that, once again, Inuit would learn by doing. The state funded a willing group of Inuit and NQIA was a fait accompli with headquarters, operating funds and a mission: settlement of Inuit aboriginal title in Quebec.

In 1975, NQIA signed the James Bay and Northern Quebec (JBNQ) Agreement, the first significant treaty ever signed by Canadian Inuit. Prompted by Quebec's intrusion into its northern territories to mount the James Bay Hydro-Electric Project, it is now law although it remains a source of great controversy among Arctic Quebec Inuit. The 1977 referendum was 95 per cent in favour of the agreement but 34 per cent of the population abstained from voting in order to demonstrate their opposition to it (Gazette, November 17, 1980). Three communities (Povungnituk, Ivujivik and Sugluk), comprising one third of the population, have formed a dissident association, Inuit Tungavinga Nunami (known as ITN) which continues to oppose the agreement, claiming that the powers of attorney which enabled NQIA to negotiate on their behalf had been falsely represented to them. They believed that they were merely empowering NQIA to provide Inuit assistance to Quebec Cree in their fight to halt construction of the James Bay dam when they were, in fact, empowering NQIA to negotiate settlement of their aboriginal title.

The agreement is complex but, essentially, northern Quebec Inuit renounced claims to the land in return for \$90 million which is to be distributed under the aegis of Makivik Corporation, established in 1978 as a non-profit

channel to receive the compensation money and to create profit-making subsidiaries to benefit all of Arctic Quebec. There is growing disenchantment with the agreement and the president of Makivik (and chief signatory to the agreement) has publicly announced his dissatisfaction with it. Meanwhile, the ITN position is that Inuit are the rightful owners of the land and that they must have a government "that can make laws, be self-supporting financially, raise taxes and claim royalties from any activities in its territory"(Sivouac, in Proceedings, 1980:21). They continue to refuse services set up with agreement money, going so far as to boycott the schools until an arrangement was made directly with the provincial government, allowing them to by-pass Makivik's school board (Kativik).

Although it has been the cause of some dissension within the co-operative movement, ITN has been supported by Federation staff who are, of course, sympathetic to its aims. ITN does not have a lot of money available to fight the agreement but is attempting to raise funds to take its case to court. In the meantime, the defiance of its members continues to be signalled by a sign at the Povungnituk airstrip which reads, in four languages, "Welcome to the territory which has not been ceded, in spite of the James Bay Agreement."

Organization and activities of Makivik Corporation

All Arctic Quebec Inuit are shareholders in Makivik whose publicised mandate is to develop profit-making enterprises for Inuit and to protect their interests as an ethnic group

(Makivik Corporation, n.d:12). In other words, Makivik is attempting, as are many third world countries, to secure development without westernization, in spite of the obvious fact that, as was pointed out in an official statement from Inuit Tapirisat:

Corporations are profit-making, thus forcing natives into non-native aspirations. There is only one real option in the corporate structure: make money or be a failure. There is virtually no aspect of the conceptual framework of a corporation that has a counterpart in native culture (The Alaska Native Claims Settlement, 1974:28-29)

Although it is too early to assess the kind of form Makivik will ultimately assume, some initial trends may be noted:

- (1) A focus on large-scale, capital-intensive enterprise which employs a greater proportion of whites than natives (in part, to avoid problems with organized labour). Although capital-intensive enterprise may mean a higher return to capital than is possible otherwise, in a situation of labour surplus, the only justification for choosing capital over labour intensive enterprise is the re-investment of capital gains to create more jobs (Ruffing, n.d:41). Makivik does not, however, appear to be making money. It has publicly announced operating losses on several of its ventures and its construction and fishing subsidiaries were recently terminated.
- (2) Makivik has considerable access to government and to private loan money, the former in amounts not often available to co-ops and the latter, never available.
- (3) Although there is not enough evidence to judge the merits

of their claim, the co-op people insist that, in many cases, Makivik operations conflict and, in others, compete, with co-op programmes. One thing which is evident is that Makivik is hiring away co-op personnel through the double attraction of higher wages and more prestige. Although it must be assumed that dissatisfaction with the co-operative is also a factor here, the co-op is now in the position of being left with what has been described as "left-overs." The rise of Makivik has meant a diminished role for co-ops which are now considered to be "guardians of the old way" while Makivik (the name means "advancement") is in the forefront of development.

- (4) One of the most significant features of the Makivik phenomenon is, I believe, the exacerbation of hitherto incipient class cleavages, with the emergence of a group of natives who, combining political and economic power, have achieved unprecedented mobility. Described as the first Eskimo millionaires, they present a "successful" image through the chartering of planes for international travel, their working relationship with lawyers and other white professionals and, generally, dressing and living in high style. The native corporate élite does not, as Inuit have always done, deal with subordinates (civil servants and field personnel) but has access to the top financial and political echelon (bank presidents and cabinet ministers). They have clout with the mandarin, although not as much as they would like. They were invited, for instance, to the Constitutional Conferences, but as

observers rather than participants. Although it is beyond the scope of this paper to argue the point, the Makivik group is wielding class-based power and authority, reserving decision-making and the lion's share of benefits for themselves and contributing to the marginalization of the general population.

Conclusion

It appears that Makivik represents a move into full-scale capitalism which will mean, inevitably, marginal status for co-operatives. In the struggle to reproduce itself, the co-op has attempted to secure legitimation through ideological appeals to the "Eskimo Way." This is mainly an unsuccessful strategy for, while the past continues to exert an emotional tug on all Inuit, there is, on the part of many, if not most, a desire for "progress." Peter Usher expresses some surprise that the native people show few signs of trying to negotiate a different, a non-western, lifestyle for themselves: "How come they didn't do something different?"¹⁶ Apart from the fact that the tail seldom wags the dog, the answer has to be sought, I think, in the kinds of options and models available to them. We should not assume, in any case, that they share our self-critical attitude towards western civilization. Usher's position is, I believe, rather idealistic (he admits as much) and the statement of Girvan (1973:26) relevant: "It may all," or, at least, to a large extent, "depend upon the level of consumption to which a grup should aspire." This is not a psychologizing, reductionist explanation; for, aspirations

are part of the ideological baggage. It is, after all, in the nature of contact that one group will be dominated politically, economically and ideologically. Native aspirations as well as the native economy have been undergoing changes since the days of the whalers and there is no reason to assume that the process will stop here, which seems to be what Berger (1977) and Usher are recommending. Some of their recommendations are, in fact, disconcertingly reminiscent of earlier state policies which aimed to improve, but, at the same time, to preserve the purity of Eskimo life. With obvious input from Usher, Berger (1977:II: 39) recommends the development of two parallel economies in the north, industrialization and a native economy based on more vigorous exploitation of renewable resources:

Processing and manufacture of locally produced commodities could add significantly to employment and income. The chief opportunities in this direction appear to be fur tanning, garment manufacture, food processing, marine oil processing, saw milling, log and lumber construction, handicrafts and similar cottage industries, and tourism. 17

What this prescription amounts to is a way of ensuring that natives will never interfere with progress in the dominant sector. They are suggesting, really, the re-invention of the co-operative, ignoring the twenty year experiment which has been in progress across the Arctic and the forces which led to the creation of Makivik. They also ignore the limited possibilities for internal exchange and the fact that profits are in the non-renewable resource sector which gets priority in terms of social capital facilities. Most of all, they ignore "the wishes of the people themselves," some of whom are

demanding "progress" as measured against the western model. We may idealize a subsistence simple commodity producing/welfare lifestyle but there is little evidence to suggest that the native people want this or, even, will accept it for very much longer. The Berger Report is replete with statements to the effect that people want to hunt and trap as they always did. They also want jobs and we should not assume that, given a choice, they would opt for the "traditional" way of life over wage labour and the kind of social structure that goes with it.¹⁸ At the very least, one must acknowledge a complexity of interests among native groups which, in spite of increasing evidence to the contrary, continue to be treated as homogeneous. Charlie Watt, president of Makivik, speaks for a large faction when he asks: "Do they want us to become antiques?" (Igalaaq, May, 1980). It is a rhetorical question, mirroring the same sort of sentiment expressed by James Wah-Shee (in Pimlott et al., 1972:125):

The oil and gas companies are doing exploratory work in the north and in the process doing some damage to the way of life of the native peoples...I don't think we are against northern development...what we are saying is that these changes need to be controlled for the betterment of the people who live north of 60', not for the big corporations who control the economy of Canada. We realize that we have an abundance of natural resources in the north; we would like to share those resources, but we don't like to see them all shipped down south.

The big question to be asked is whether development corporations, owned and managed in theory by native people and, in reality by a powerful group in concert with the state, can reverse underdevelopment. It seems to me that the answer lies in the manner in which capital is obtained. There are not many sources.

It may be generated internally but the barriers to this are obvious. It may be obtained from the state which, although certainly capable of creating an artificial economy, does not have a good record. We have seen the kind of help it has given native enterprise, enough to cripple, not develop, the co-ops and enough to allow Makivik to hang itself. The third source, and the only source which is compatible with some measure of autonomy, is taxes and royalties (which imply a political mandate). The co-op wanted this and the dissident group, ITN, continues to hope for it. Makivik, however, refused compensation in the form of royalties because it "thought they wouldn't amount to very much" (Watt, in Proceedings, 1980:57).

The conclusion has to be that Makivik, more state-owned than the co-operatives and serving the interests of an indigeneous elite, is unlikely to reverse the tide of under-development. The state, it seems, succeeded in creating the spokesman it needed, so that the universe could continue to unfold as it should.

NOTES

1. Although some native groups have expressed a desire to be called "Inuit" rather than "Eskimo," I have used the term interchangeably. I claim as my authority for doing so, several Arctic Quebec Inuit who inform me that it matters more how they are treated than what they are called. Besides, the topic demands at least the occasional use of the older term. The word "Eskimo" is incorporated into the official names of some co-ops and "Eskimo art," has become a household word, carrying connotations not communicated by "Inuit art." I assure anyone who might be offended by this usage that no derogation is intended.

2. There was some trading for specialities (soapstone for making lamps, polar bear skins etc) but, since my interest here is on post-contact developments, I am deliberately glossing over the complexities of the pre-contact lifestyle.
3. In recent years, some groups have either moved or expressed an intention to move back to their old camping sites.
4. There are also several Indian co-operatives in the Arctic, some of which are affiliated with the Eskimo co-ops. In the interests of clarity, however, I will ignore them in this discussion.
5. The Quebec Federation, managed by people without a co-op background, unamicably severed relations with the Desjardins movement in 1970. Federation personnel in the Northwest Territories tend, however, to be professional "co-operators."
6. Over the years, numerous petitions have been sent to government and informal campaigns mounted to stop people buying and selling at the Hudson's Bay Company.
7. Co-op wages are geared to a standard of living consistent with the Inuit culture but not competitive, although the gap is narrowing under pressure from the population.
8. In 1979, Arctic Quebec co-ops paid out app. \$1.5 million for the purchase of arts and crafts.
9. This is still more or less the case. With only a few exceptions, banks refuse to make major loans to native co-ops unless backed by a government guarantee.
10. The information which follows is based, primarily, upon data contained in Beaulieu, 1980:44.
11. Since this paper was written, a significant event has taken place. The Quebec Federation now owns the pipe lines, tank farms and oil and gas products in four northern Quebec communities with the co-ops in those communities acting as distributors. These operations are expected to generate a healthy cash flow.
12. Their non-offensive nature makes them doubly attractive. D.G. Smith (1975:34) makes the point that whites selectively reinforce certain aspects of native culture, i.e., "decorative handicrafts, story-telling and dancing," which do not conflict with western values (nor compete with western products!).
13. This point was raised to the author at a meeting with carvers in Wakeham Bay, February 25, 1979.

14. When profits are made, a non-discretionary allocation of net operating surplus is made to a General Reserve Fund (to provide financial stability) and, on the recommendation of the delegates, the Annual General Meeting distributes the balance in one or a combination of three ways: (1) declaration of a patronage cash dividend (2) payment of a patronage share dividend or (3) retention of earnings to invest in development and to finance growing assets.
15. In an unpublished paper entitled "From Talking Chiefs to a Native Corporate Elite," I have attempted to trace the birth of a class system among the Inuit. The argument is that the Makivik group actually form a native bourgeoisie.
16. From notes taken at a seminar given by Peter Usher at Carleton University, January, 1981.
17. It will be remarked that all of these are activities which co-ops have tried and, for the most part, been forced to abandon. Handicrafts and, to a lesser extent, tourism have proven to be the only practical ventures. I realise, of course, that the Berger Report is more of a political document than anything else. Nonetheless, it has had considerable influence for which its authors must be held accountable.
18. It is interesting that the Income Security Programme set up by the James Bay Agreement and which pays hunters to live on the land to hunt, has brought the response from some natives, not on the programme, that they will not hunt unless they, too, are paid for it (Murdoch, private communication, September, 1981).

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