

THE UNIVERSITY OF MANITOBA

CO-OPERATIVES AND CULTURAL CHANGE IN THE CANADIAN
ARCTIC: A CASE STUDY

BY

LON DAVID DUNCOMBE

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Introduction

My personal experience with co-operatives in the Canadian arctic provided the topic for this paper. In it I have attempted to determine the impact that they have had, and may have in the future, upon Inuit settlement life in the Canadian Northwest Territories. 'Co-ops' were originally designed to function within large-scale, industrially developed societies, and in order to survive in the Canadian arctic, they have had to adjust to its radically different social context (and vice-versa). The major part of this paper has been devoted to the description and analysis of some of these necessary adjustments, and the preconditions which make these adjustments possible.

I gathered most of my information on the Canadian arctic communities of Grise Fiord and Resolute Bay, and their co-ops, during the periods May 1974 to September 1974, and August 1975 to July 1976, when I managed the Resolute Bay and Grise Fiord co-ops respectively. I attended, and participated in, meetings of the boards of directors of both communities and, although to a lesser extent in Resolute Bay, was able to partially discover and understand some of the everyday problems and attitudes of community members. Through participation in community functions and conversations with individuals, both 'white' and Inuit, as well as the study of the fairly extensive co-op records which were available to me in Grise Fiord, I was able to collect, I hope, sufficient information to support the observations and conclusions offered in this paper. Because my field technique has had to be non-statistical, and thus to a certain degree subjective, I may run the risk in places of being too selective and non-representative. In order to minimize my methodological weaknesses

I have as much as possible avoided drawing conclusions on the basis of information gathered from only one source in space or time. Thus most, if not all, functions held in the Grise Fiord community hall exhibit those characteristics presented in Chapter Two, and opinions which I have attributed to individuals in the community have invariably been voiced by others in the community as well.

I am aware of the pitfalls inherent in attempts at 'objective' participation. Francis Caro has remarked that "positive findings reported by 'inside' evaluators are likely to be discredited. An evaluator can enhance his credibility by avoiding engagement with substantive and organizational issues"(Caro 1974:358). Suffice it to say that I believe that co-ops are, potentially at least, the best existing form of economic-oriented organization available to the Inuit people of arctic Canada at their present stage of development. If this is a bias on my part, so be it. No social scientist can be totally objective. Bias is present, if not explicitly then implicitly, in all research in the field of cultural anthropology. I have, however, tried to be as objective as possible as those problems which are not recognized and dispassionately assessed cannot be overcome.

In the initial research, organization and final preparation of my thesis I owe a debt of gratitude to Dr. John S. Matthiasson of the Department of Anthropology, University of Manitoba. His constant encouragement, advice and constructive criticism enabled me to complete this paper and, hopefully, make some contribution to the study of Inuit co-operatives. I would also like to thank Dr. J. B. Townsend and Dr. R. Riewe, also of the University of

Manitoba, for reviewing and commenting upon my thesis. I appreciate the encouragement and assistance that Mr. S. R. Glydon of Federated Co-operatives Ltd. offered while I was in Winnipeg. I am foremost indebted, however, to the people of Grise Fiord and Resolute Bay, without whose co-operation and understanding this paper could never have been written.

CHAPTER ONE

Co-operation and the Co-operative Movement

The concept of co-operation is not hard to grasp. It plays a major role in our daily lives and is a necessary condition for the persistence of many forms of social interaction. J. Dook succinctly summarizes the meaning of co-operation in two phrases - 'self help' and 'mutual aid' (Dook n/d:3). For the purposes of this paper, however, a more rigorous definition, which can, perhaps, be usefully referred to in any future discussion, will be suggested:

Co-operation is that portion of the activity of two or more individuals or organizations directed toward the achievement of a commonly shared goal.

Before proceeding, I would like to examine some of the implications of the above definition.

I use organization to mean a collection of individuals who interact according to previously established patterns of relationship.

Activity on the individual level is synonymous with behaviour. On the organizational level activity is the net effect of functioning suborganizational elements (be they individuals or less complex organizations) which interact with other individuals or organizations. The activities of a governing body - imposing laws and collecting taxes, for example - are the net result of the actions of its individual members and can be viewed independently of these latter's individual actions. Thus, although the individuals of a particular organization may not be co-operating directly with members of another organization, the organization as a whole may be co-operating with its counterpart.

Co-operation cannot occur without the conscious knowledge of all members involved; a fortuitous meshing of activity which results in unintended benefits to its participants will not, using the above definition, be considered as co-operation.

Co-operative activity is voluntary in that its goals must be shared by all participants. Thus, daily family chores may or may not be accomplished co-operatively, depending upon the willingness of each member to do his or her share. 'Free enterprise' in the classical sense is not co-operative in that the only 'goals' which competing economic units have in common are imposed by outside agencies; overt co-operation in the form of merging or price fixing is usually forbidden by law.

Co-operation must be co-ordinated. Co-ordinated activity, however, need not be co-operative in that it need not be voluntary. The operation of 'slave-labour' camps, or even prisons, where most of the work is done by inmates, is an obvious illustration of this point.

The concepts of reciprocity and co-operation are closely linked. Marvin Harris defines reciprocity as the "exchange of valuables in the absence of overt calculations of value, a stipulated time for concluding the transaction, or an overt specification that a balance must be reached" (1971:651). Thus reciprocity involves two or more people or organizations, it is voluntary and it is co-ordinated. The co-ordination, however, may not be explicit as an individual may procrastinate in repaying the gifts of a friend. There is often, moreover, no goal perceived and commonly shared by both parties, although the effect of reciprocity — mutual material benefit — may bring the same result. Reciprocity and co-operation, therefore, are not identical in nature.

Co-operation, as defined above, played an important role in traditional Inuit (Eskimo) society. Indeed, it was necessary for survival. Frank Vallee observes that "the traditional Eskimo family was a co-operating team bent on wrestling a living from the natural resources" (1967:76). Balikci notes that among the Netsilik Inuit co-operation occurred both within the family through the sexual division of labour, and between related kinsmen during the hunt. "Collaboration", he states, "is deeply rooted in the Netsilik system of behavioural norms" (1970:127). However, "closely knit extended families usually kept and used the returns of their communal hunts; non-related or distantly related families present at the camp received nothing or little" (1970:117). Jenness makes basically the same observations with regard to the Copper Eskimos (1970).

Co-operation, then, was a vital element of traditional Inuit society and occurred mainly among relatives. This point should be emphasized as it must be dealt with in any discussion or analysis of Inuit co-operatives.

The 'co-operative movement' in its modern form was launched in the mid-nineteenth century in order to eliminate many of the exploitative aspects of unrestrained capitalism. Its inception is generally attributed to the 'Rochdale pioneers', a group of English industrial workers who in 1844 founded a co-operative store through which goods were bought wholesale and resold to co-operative members. Profits from sales were returned to members according to the amount each individual purchased.

It was in these early years that those co-operative principles were formulated which still apply today. They are:

1. Democratic control - one vote per member, regardless of the amount of capital invested by each member.
2. Open membership.
3. Limited interest on invested capital.¹
4. Redistribution of profits to members.
5. Education of members in co-operative principles.
6. Political and religious neutrality.

(Taken with modifications from Gossen 1975)

Economic institutions to which these principles have been most often applied are of three kinds: consumer co-operatives (involved in retail and wholesale marketing), producer co-operatives (fishing co-ops, wheat pools, refineries and handicraft co-operatives) and credit unions. My major area of concern will be in the field of consumer co-operatives, although the other two varieties will be mentioned upon occasion. The principle of co-operation, however, can be, and has been, applied to a wide variety of other enterprises and services - hospitals, housing, farming and insurance being among them.

Co-operatives are formed with specific objectives in mind which, although varying from case to case, usually include some of the following elements:

1. The provision of goods and services in the absence of acceptable alternatives.
2. The elimination of excessive levels of interest and profit.
3. The distribution of business ownership, and resulting benefits, to as many people as possible.
4. The reduction of taxes levied upon profits.²

The structure of all Canadian co-operatives includes the following basic elements:

1. Members. Individuals who have invested a fixed amount of capital entitling them to one voting share in a co-operative are members. A member may invest varying amounts of capital over and above this initial outlay; he cannot, however, have more than one voting share. Members may receive a portion of any co-operative surplus in proportion to the relative amount of capital contributed to the operation of the co-operative during the previous fiscal year. Although non-members may purchase goods at a consumer co-operative, they will not receive any portion of surplus.
2. Board of Directors. Co-operative members gather together at an annual meeting to elect from themselves a board of directors which fulfills much the same function as in any corporation. The members of the board of directors are responsible for the definition and interpretation of the co-operative's policies and objectives. They study and approve all financial statements, budgets and large capital expenditures, hire the general manager, monitor his performance and approve salary ranges at all levels.
3. Manager. The manager (or general manager, depending upon the size of the co-operative) is hired by the board of directors and is responsible for the day-to-day management of the co-operative and fulfillment of all other duties set down by the board of directors. The manager prepares and presents reports to the board of directors, hires, trains and supervises staff and delegates responsibility and power to subordinates.³
4. Staff. The staff are usually those employees in direct contact with the customers. They carry out those duties determined by the manager and are hired and released by him.

(Taken with modifications from Gossen 1975)

As has been mentioned, co-operatives in their modern form were originally designed to operate within the 'free enterprise' economic system of the Western industrialized

societies. Often in direct competition with private and state owned enterprises, they attempt to present a viable alternative to these institutions.

Co-operatives became firmly established in Canada in the early twentieth century. In the 1920's co-operatively-owned wheat pools were set up in Manitoba, Saskatchewan and Alberta as a means of achieving greater control in the price and amount of grain marketed. Many farmers have also formed co-operatives to buy and maintain land and machinery. Likewise, on the east and west coasts of Canada fishing co-operatives have been created to control demand-induced fluctuations in the quantity and price of fish and other sea foods offered for sale.

Most Canadian co-operatives were thus originally producer oriented. They were actively engaged in controlling as much as possible those external factors which affected their economic welfare. Retail consumer co-operatives have also, however, been formed to offer to their members goods and services at the best possible prices and in many cases have jointly organized wholesale outlets which manufacture such basic goods as animal feed, lumber, petroleum and other consumer products. The credit union movement, founded by Alphonse Desjardins in Quebec at the turn of the century, has attempted to offer to its members low interest loans and high interest deposits. Unlike most Canadian banks, the policy decisions of credit unions are made at the community level and this flexibility has allowed it to become an outstandingly important co-operative institution throughout Canada.

In the isolated, predominantly Inuit communities of northern Canada co-operatives differ significantly from their southern counterparts both in origin and persistence. The majority were created, and have been actively supported,

by governmental agencies. Their founding purpose and major goal, in the eyes of the Canadian government, has been to "promote economic efficiency by organizing production, consumption and marketing in the hope of raising the standard of living, reducing dependency on direct government welfare, and helping the people achieve some measure of control over their economic fates"(Vallee 1968:218). Although the total membership of Inuit co-operatives is far smaller than that of their southern counterparts, a larger proportion of the members of Inuit communities belong to co-operatives. In some communities the local co-op enjoys a monopoly and does not have to face the fierce competition of businesses in the south. In almost all cases the relative economic inefficiency of Inuit co-operatives would not allow them to survive under southern business conditions.

The first Inuit co-operative, involved in fishing, was formed at George River, Nouveau (arctic) Quebec in 1959 under the supervision of the Department of Northern Affairs and Natural Resources (now the Department of Indian Affairs and Northern Development) of the Canadian government. A Department officer, Jon Evans, perceived the role co-operatives could play in the north, as well as the best means of setting them up. In his words, "it is important that any industries established be under Eskimo ownership at a very early stage in their development. The successful development of these industries would require a good deal of initiative, hard work and determination on the part of the participants. Each project would have a much better chance of success if the participants have a financial and emotional stake in its development" (1964: 19). Subsequently, in 1963 a consumer store was established, and successfully run by an Inuit manager. In his 1966 report Saul Arbess indicated that through a felicitous combination of adequate financing, 'low profile'

support from government agencies and enthusiasm on the part of the Eskimo people, the 'co-operative experiment' in George River had succeeded.

Shortly after the establishment of the George River co-operative, additional co-ops were set up in Port Burwell, Grise Fiord and Resolute Bay, all small communities of under 200 people in the Franklin region of the Canadian Northwest Territories. By 1963 there were sixteen co-ops in the Canadian arctic engaged in "fish marketing, logging, production and marketing of handicrafts and graphic arts, consumer supplies, housing, fur manufacturing and tourist services" (Laidlaw 1963:2). At the first conference of arctic co-operatives held at Frobisher Bay in March 1963 the 'co-operative miracle' was officially announced to the world. Delegates, the majority of them Inuit, explained how co-ops had changed their lives for the better. "Now we are confident we can make a living by staying and working through the co-operatives" (Port Burwell delegate)"we have better clothes now because we can make our money from our prints" (Povungnituk delegate)...."if this co-operative had not been set up we could not get along" (Grise Fiord delegate) (Laidlaw 1963). The establishment in the mid-1960's of a Canadian Inuit handicraft marketing agency, Canadian Arctic Producers Ltd., marked a further stage in the evolution of co-operatives in the Northwest Territories. In 1972 the formation of the Canadian Arctic Co-operative Federation Ltd. brought together in voluntary association most co-operatives, both Inuit and Indian, in the Northwest Territories.

By the mid-1970's a total of 42 co-operatives were operating in the N.W.T. Almost without exception, every small settlement had a co-op store, some producing handicrafts, some selling consumer goods, and a few engaged in

both activities. In many areas they had come into active competition with the stores of the Hudson's Bay Company. It had become clear, however, that Inuit co-operatives had not yet achieved the goals the government had originally set for them. As early as 1968 Frank Vallee pointed out that "some of the incorporated co-operatives are practically inactive, existing only on paper, while others are active only a very limited area of activity such as in housing or in the marketing of handicrafts". In those co-ops that were active the boards of directors "almost always follow the ideas of the white members and advisors, both within and without the community" (1968:219-220). Government departments found themselves having to continue their active support of co-operatives through loans, grants and management assistance as many co-ops found themselves perilously close to collapse. In a number of cases wholesale outlets in the south found themselves unable to collect payment from arctic co-ops for goods which they had previously supplied.

The chapters that follow will present an in-depth analysis of the Grise Fiord Eskimo Co-operative Ltd. in an attempt to understand, and suggest means of solving, some of the problems Inuit co-ops face in the 1970's.

CHAPTER TWO

Grise Fiord - An Overview

The settlement of Grise Fiord is situated near the eastern side of the mouth of the fiord from which it derives its name, on the southern coast of Ellesmere Island in the high arctic region of the Canadian Northwest Territories. At approximately 76° latitude it is one of the northernmost civilian settlements in the world. Five hundred miles within the Arctic Circle, Grise Fiord experiences a period of three months — mid-November to mid-February — during which the sun does not rise above the horizon and a period of three months — mid-May to mid-August — during which the sun never sets.

Temperatures in Grise Fiord do not reach the extremes experienced by other high arctic settlements. The West Greenland Current provides a year-round ice-free channel between Greenland and southern Ellesmere Island and has a moderate influence on temperatures. During the coldest months of February and March temperatures average -35°C . with occasional extremes of -45°C . During the winter the settlement will usually experience several storms with winds as high as 100 mph; however, an abrupt temperature rise preceding and during these storms prevents an excessive wind chill factor. The finest time of the year occurs during the months of April and May when continual daylight, moderate temperatures and good ice conditions combine to make travelling and hunting rewarding and enjoyable. The ice-free months of August and September are often wet and foggy due to the moisture-laden winds from the open water being forced upward by the mountains behind the settlement. During this period temperatures rarely rise above 8°C .

At first appearance the terrain surrounding Grise Fiord presents a spectacular, if somewhat desolate, aspect.

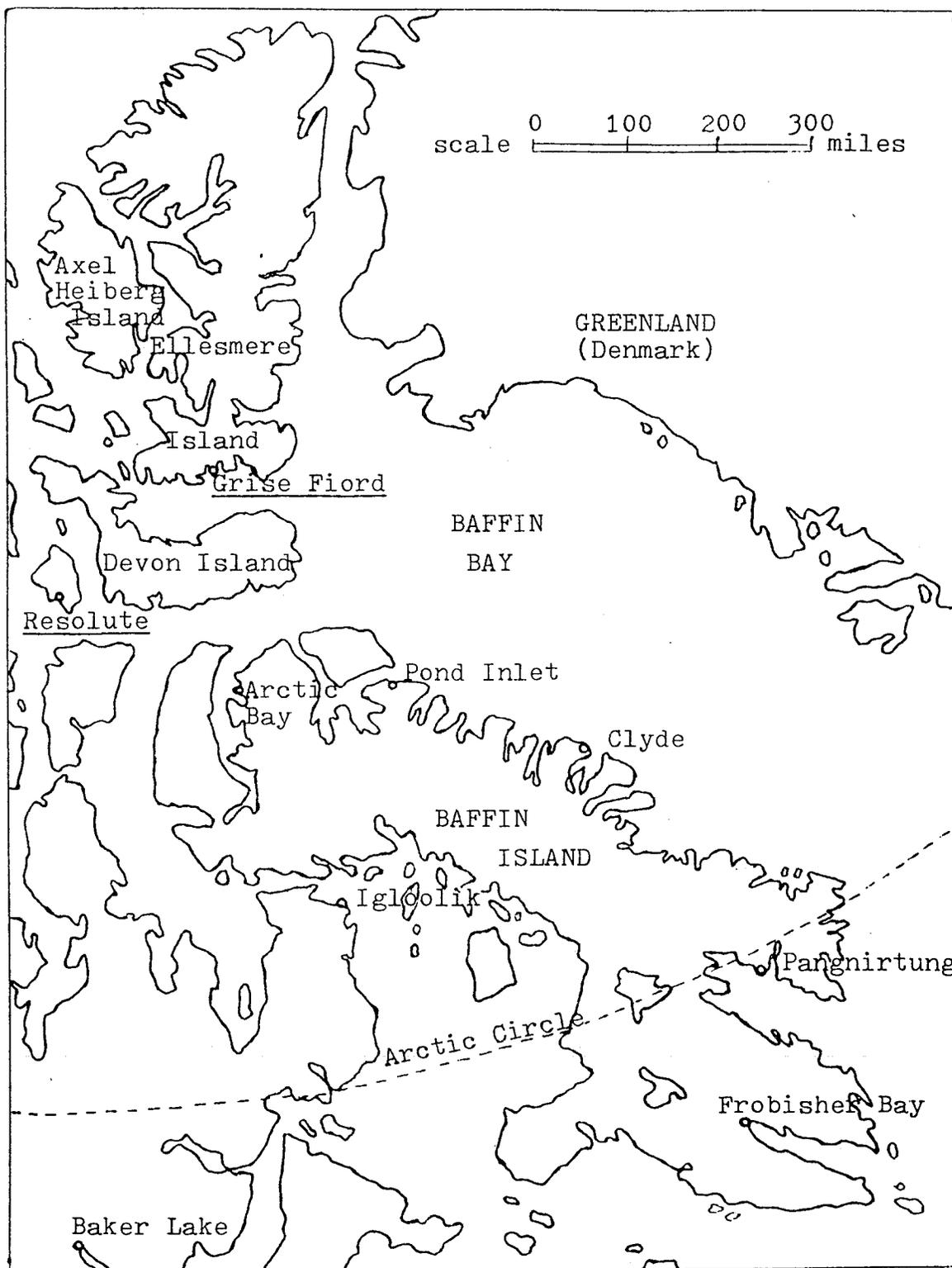


Figure 1: The Eastern and High Arctic Regions of the Canadian Northwest Territories

Treeless mountains reaching 3,000 feet rise abruptly on three sides of the settlement and neighbouring fiords penetrate deeply into the interior. Even in summer the vegetation, consisting mainly of lichens, moss, tundra and a few arctic flowers, is relatively sparse. This outwardly forbidding landscape, however, conceals an abundance of marine life in the adjoining waters of Jones Sound. Indeed, the Grise Fiord area provides some of the best opportunities for hunting marine mammals in the Canadian arctic. Ringed, bearded and harp seal are present throughout the year; walrus, beluga whales and narwhals are hunted in the summer and ptarmigan, geese and ducks are plentiful in the spring and fall. White fox are trapped in the winter and spring, and polar bears and muskoxen are hunted within government-imposed limits. Caribou have not been found in any great number in the Grise Fiord area in recent years, however, although a few were shot in the fall of 1975. Other land animals hunted are the Arctic hare, the occasional wolf, and birds which nest in the general area. For a few weeks in May the people of the settlement fish for char in several lakes which, however, are at a considerable distance from the settlement. R. Riewe gives a fairly thorough analysis and quantification of the dependence of the Grise Fiord Inuit on the wildlife resources of the area (Riewe in press).

The first outpost in the Grise Fiord area was established by the Royal Canadian Mounted Police at Craig Harbour, 25 miles east of the present settlement, in 1922. The Craig Harbour post and others like it in the high arctic constituted a response on the part of the Canadian Government to the "flat denial of Canadian sovereignty in Ellesmere Island by the Danish explorer and government official Knud Rasmussen, and the endorsement of his denial by the Danish government" (Smith 1963:9). It was maintained

intermittently until the second world war at which time a permanent base was established. In 1953 six Inuit families were brought to Craig Harbour aboard the government supply and hospital vessel C.D. Howe. Four families were from Port Harrison, Nouveau Quebec, and two families were from Pond Inlet on northern Baffin Island. Although prehistoric Thule sites had been found in the general area, no known Inuit band had been previously living on southern Ellesmere Island for several centuries and the wildlife resources had not been exploited in the recent past.

The Inuit people, therefore, were brought by the government to the Grise Fiord area in order to let them take advantage of the good hunting conditions and reinforce Canada's claims of sovereignty to that area of the arctic. It was hoped that the Pond Inlet Inuit, used to hunting conditions in the high arctic, would help the Port Harrison Inuit in the adjustments these latter would have to make. Port Harrison is on the eastern coast of Hudson Bay, where the vegetation is much more lush than on southern Ellesmere Island, and even in the middle of the winter there is some sunlight during the day.

The Inuit were originally encouraged not to settle too close to the R.C.M.P. post in Craig Harbour and were transported to a spot a few miles southwest of the present site of Grise Fiord. Although at first the two Inuit communities camped together they soon parted and established separate camps. Using lumber which had arrived aboard the supply ship C.D. Howe the Inuit erected semi-permanent structures in 1954. Freeman (1969) gives a fairly detailed description of this period, and the adjustment problems that the Port Harrison Inuit experienced.

In 1956 the R.C.M.P. post itself was transferred to the eastern side of the mouth of Grise Fiord and the old

post in Craig Harbour was abandoned. In subsequent years other organizations were established around the new post, which marked the present site of the settlement. In 1960 the R.C.M.P., in co-operation with the Department of Northern Affairs and Natural Resources, established a co-operative store to replace the Inuit trading post, and the local R.C.M.P. officer subsequently handled the functions of co-op manager until 1973. In 1962 a Federal Day School was established by N.A.N.R. and the Inuit, now numbering 73 through the arrival of additional relatives from Pond Inlet and Port Harrison, relocated to the R.C.M.P. post on the eastern side of the fiord. The post had now become a settlement.

During these early years in the development of the settlement the R.C.M.P. retained near total control over the activities of the Inuit people. Unlike many other posts there had been neither a Hudson's Bay Company trading store nor a religious mission in Grise Fiord. A minister from Pond Inlet visited the settlement once or twice a year and a small Anglican chapel was built in the early 1970's. The extent of R.C.M.P. influence in Grise Fiord in the mid-1960's has been well described by Milton Freeman (1971). The local R.C.M.P. officer at one time or another handled welfare, medical treatment, the post office, the co-op store and settlement administration in general.

By the mid-1970's a considerable amount of community development had taken place. An extension had been added to the school, a well-equipped nursing station had been built, and various other government buildings — low cost housing for the Inuit, government residences for white personnel, a community hall, settlement office and Department of Public Works garages — had been erected. In 1970 the newly formed Government of the Northwest Territories

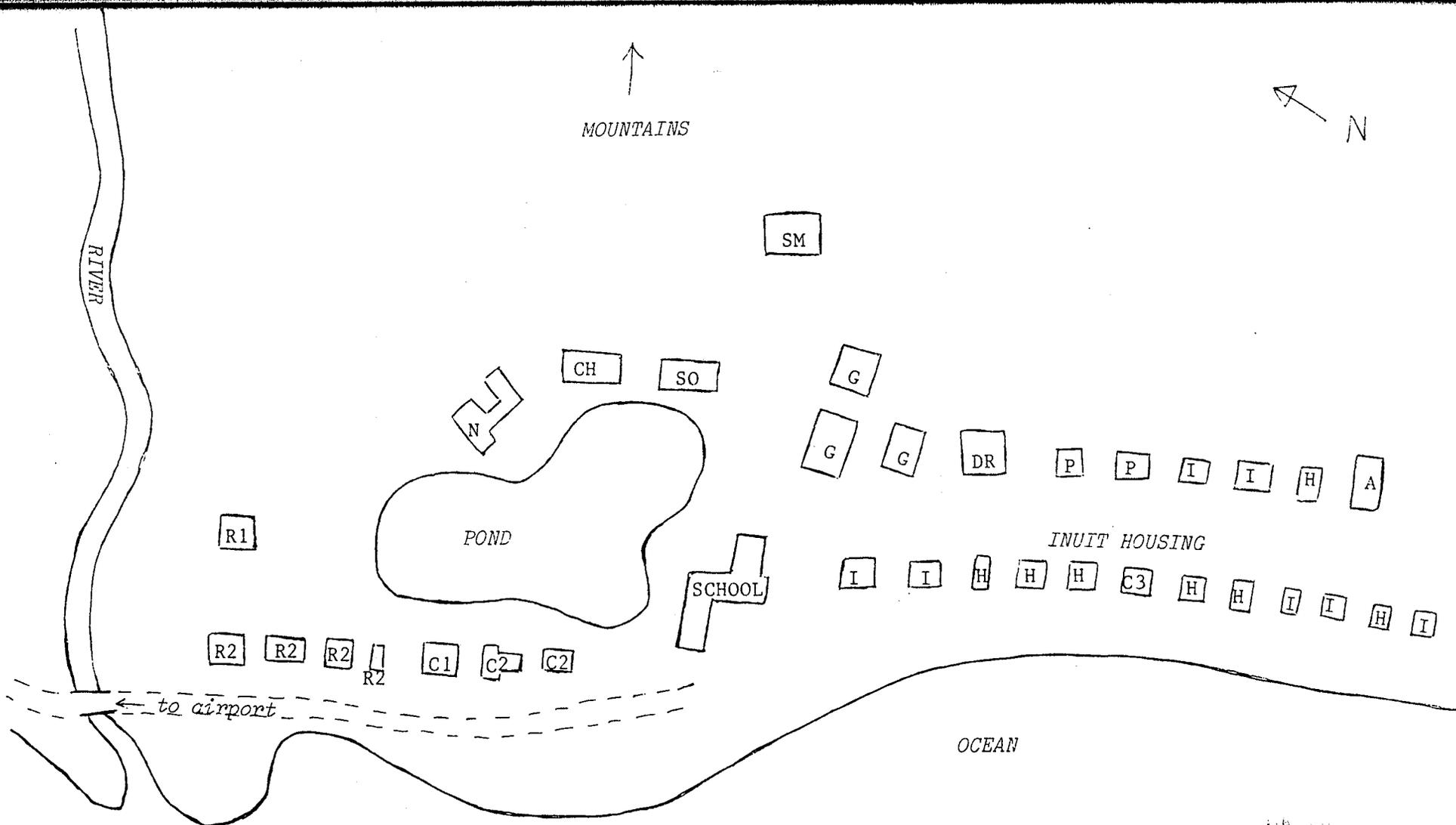
took over various functions previously handled by the R.C.M.P. and by 1975 there were eight whites in a total settlement population of 120 - two teachers, one nurse, the D.P.W. mechanic, co-op manager, settlement manager and R.C.M.P. officer. The latter's role in the community had been reduced to filing monthly reports, going on infrequent patrols and what was sarcastically referred to as 'crime fighting' (crimes of any sort being very rare indeed).

Throughout this period the Inuit of Port Harrison and Pond Inlet retained many of their ethnic differences (Freeman 1969) and the integration of the two populations had not yet been achieved. Indeed, the relative isolation of the settlement allowed a fairly large amount of the traditional culture to be preserved, or only slightly altered. Many of the symptoms of social malaise - high unemployment, the abuse of alcohol and drugs, and the breakdown of stable family life - were barely noticeable.

Key positions within the settlement were, as we have seen, held by non-Inuit. A limited amount of authority was, however, wielded by the various 'officially' recognized Inuit groups in the settlement - the settlement council, co-op board of directors and housing association - and the decision-making potential and scope of authority of these groups was increasing. Approximately twenty-four Inuit held down full or part-time jobs with the co-op and various government agencies. Six of these could be considered as semi-professional; the rest consisted of manual labour occupations such as janitors and water and sewage crews. For a period of approximately one year an 'Inuk' (singular form of 'Inuit') from Resolute Bay also acted as settlement manager. He was, however, elected to the Northwest Territories Government Council and was replaced by a non-Inuit.

The residential layout and quality of housing in Grise Fiord closely reflected the social and economic inequalities of Inuit and non-Inuit. With the exception of the Department of Public Works facilities, government agencies and residences were isolated from the low-cost Inuit housing strung out along the beach. Co-op buildings, which originally belonged to the R.C.M.P., were isolated from the people they served, although the co-op residence was a converted Inuit dwelling situated in the middle of 'town'. Characteristics of government housing which most Inuit did not share included hot and cold running water, wall-to-wall carpeting, spacious interiors and many electrical appliances — washers, dryers, and electrical furnaces.

Although the Port Harrison and Pond Inlet Inuit originally lived in separate areas of 'town', the passing of the years and movement within the settlement has resulted in a spatial mixing of the two communities. There has of yet, however, been only one intermarriage between the two groups and the husband died of natural causes shortly thereafter. Some original differences in language, material technology and other customs of the two groups have been largely preserved. The Port Harrison people are considered to be relatively poor hunters (which, due to their lack of high arctic experience, was probably true in the past) and the Port Harrison people believe that the Pond Inlet Inuit lack the formers' more 'civilized' approach to life, as reflected in housekeeping and the repair of machinery. (See Freeman 1969 for a more detailed analysis of the cultural differences of the two groups). In 1975 there were also two families from Pangnirtung, the heads of which held positions of prestige among the Inuit of the settlement. Because they were foreign to both communities, the Pangnirtung Inuit could effectively act as intermediaries in relations between the other two groups.



- Legend:**
- | | |
|------------------------------------|-------------------------------------|
| A = Anglican Church | H = Port Harrison Inuit residences |
| C.H. = Community Hall | I = Pond Inlet Inuit residences |
| C1 = Co-op Store | P = Pangnirtung residences |
| C2 = Co-op warehouses | N = Nursing Station & residence |
| C3 = Co-op manager's residence | R1 = R.C.M.P. residence |
| D.R. = D.P.W. mechanic's residence | R2 = R.C.M.P. auxiliary buildings |
| G = D.P.W. garages | SM = Settlement manager's residence |
| | SO = Settlement office |

Figure 2: Settlement Plan of Grise Fiord
1975

The non-Inuit, or 'Kadluna' (meaning 'foreigner' in the Inuit language) formed the third major group in the settlement. Effectively cut off from relatives and friends in the south, they tended to be relatively insecure and sensitive in their personal relationships with other Kadluna in the settlement (see Smith 1973, Brody 1975). Their area of effective social interaction was limited with rare exceptions to other Kadluna and could easily become restrictive and ingrown. Most Kadluna stayed in Grise Fiord for a maximum of two years and thus never managed to grasp the language or learn the best means of working with the Inuit. Inuit, on the other hand, were reluctant to form close relationships with Kadluna in the settlement as they realized the latter would soon be leaving.⁴

The Inuit in Grise Fiord had by 1972 become dependent on wage labour for part of their income (Riewe in press). Nineteen of the twenty-two employable male adults, and five of the thirteen employable female adults, were holding full or part-time jobs and all were being paid, either directly or indirectly, by the territorial government; the only exceptions were two co-op clerical positions. (Jobs involving garbage disposal and water delivery, although administered by the co-op, were being paid by funds made available by the territorial government). The average monthly wage for Inuit was approximately \$600.00 compared to a Kadluna average of \$1,700.00.

There appears to be a noticeable amount of rivalry between the sexes among the Inuit people of Grise Fiord. Women have separate accounts from their husbands at the co-op store and it is not unusual to find that a man is deep in debt while his wife has a healthy credit balance in her co-op account. Women are always eager to explore ways of earning money independently of their husbands, and they often

sell pieces of handicraft to the co-op store. Rivalry between the sexes is institutionalized in games played at the community hall where teams are often formed on the basis of sex. In the string game, two balls of wool start at the end of two teams, formed according to sex, and must be passed to the front, unravelled, beneath the clothing of the players. (The women usually win as their clothing is looser fitting). International Women's Year was taken note of in Grise Fiord and posters displaying the Women's Liberation symbol can be found in the homes of young married adults.⁵

The 'generation gap' is most evident in Grise Fiord among those adolescents who have gone to school in the 'south' (Frobisher Bay, Winnipeg, Churchill or Ottawa) and who are now living with their parents in the settlement. Those teenagers who have remained in the settlement share more of the behavioural characteristics of their parents and usually identify closely with them. Many parents are reluctant to send their children out of the settlement for their education as they realize they will have 'changed' when they come back. Educated children sometimes look down on their parents who do not read or speak English and know little of the outside world. Family structure in Grise Fiord is still, however, strong. Those men and women who have not spent more than a few months in the south are apt to marry early, raise large families and in general appear to be more contented with their lot than their southern-educated peers.

Certain institutions within the settlement of Grise Fiord function to alleviate many of the above divisions. The hunters and trappers association, settlement council, co-op board of directors and housing association all contain members from both Pond Inlet and Port Harrison, and excepting the hunters and trappers association, include both men and women. The community hall and school are a

common meeting ground for all settlement members and activities which divide members according to one criteria act to temporarily annul other divisions. Thus the string game, which groups team members according to sex, effectively unites players of different ages, races and communities of origin.

In spite of the increasing importance of wage labour, the yearly cycle of activities in Grise Fiord is still closely linked to the environment. All Inuit hunt, even those with full-time jobs, and their hunting activities vary according to the time of year, ice conditions, temperature and presence (or absence) of daylight. Spring is the most beautiful and productive time of the year for hunting; many Inuit go 'on the land' for days and even weeks at a time in search of seals, polar bears and muskoxen. It is not unusual for a hunting party to travel as far as three hundred miles, and even full-time jobs are put aside when hunting conditions are good. Community activities fall to a yearly low and the settlement often appears (and is) semi-deserted. At the end of May people start making trips to the 'fish' lakes, situated approximately eighty miles to the north and west of Grise Fiord, and job-related activities in the settlement become sporadic as whole families leave for a few days of good fishing.

At the end of the school year in June people start to adjust to their personal activity preferences in the constant daylight. (The co-op holds regular hours, but these are so infrequent - Monday, Wednesday and Friday from 1:00 p.m. to 4:30 p.m. - as to have little real influence on community patterns of sleep and activity). Hunters come and go at all hours of the 'day' and 'night' and children play and sleep around the clock. Kadluna, to their increasing concern, find themselves keeping 'odd hours'.

With the beginning of school and the start of daily periods of darkness in September the settlement begins to adjust once more to a common schedule. The formation of new ice on the ocean makes travel very difficult and social activities — games, movies and visiting — predominate. Events such as Hallowe'en are entered into enthusiastically by all members of the community regardless of age or race. By the time the ocean ice becomes safe for travel in early November the increasingly short periods of daylight make hunting difficult; settlement activities thus continue to occupy a central place in the life of the community.

In mid-November Christmas lights are put up all over the settlement and a holiday atmosphere gradually begins to permeate the community. The Kadluna hold more parties than usual, most of them 'wet', and much of the time is spent in socializing. Once school children receive their Christmas break people begin once again to vary their sleeping-waking periods in the total continual darkness although, because of the community nature of social activities, individuals tend to do the same things at the same time. The writer recalls waking at 2 p.m. on a Sunday 'afternoon' in December and discovering he was the first person in town out of bed.

After the activities of Christmas and New Year there is a noticeable lull in activity as people begin to prepare for the return of sunlight and the resumption of intensive hunting. Now the topic of conversation often turns to spring, and all its opportunities, which is fast approaching.

With this yearly cycle of activity in mind the past and present activities of the Grise Fiord co-op will now be examined.

CHAPTER THREE

The Grise Fiord Co-operative

Unlike most other arctic settlements, a Hudson's Bay Company trading post has never operated in Grise Fiord. The first business in the community was the Craig Harbour Trading Store, set up by the Royal Canadian Mounted Police in Craig Harbour in 1954. When the police relocated to Grise Fiord the trading store was, of course, moved as well.

Although Thomassie's Trading Store, as it was now called, operated under the name of one of the Port Harrison Inuit it appears that the R.C.M.P. had total control from the very beginning. By selling furs and handicrafts to the store, the Inuit earned credits which they could use to purchase staples -- flour, tea, tobacco, rifles and ammunition. Each year the presiding police officer would requisition from R.C.M.P. supplies the merchandise for the store which would arrive with the annual visit of the C.D. Howe. Luxury items were ordered, but in very limited quantities -- the 1955 requisition lists 12,000 pounds of flour but only 48 pounds of jam and 48 pounds of raisins. Major items -- rifles, boats and outboard motors -- would only be ordered if the Inuit had saved a sufficient number of credits before hand. Individuals who did not have enough credits to buy basic staples at the trading store could, however, receive welfare.

Items which were considered to be 'not needed' were often dropped from requisition lists. In a letter dated March 1955 addressed to his superiors in Ottawa the R.C.M.P. constable in Craig Harbour makes the following remarks: "Several articles requested by some young natives have not been requisitioned for as same were considered uncalled for under the circumstances. These were radios and fancy jackets".

In the late 1950's the Department of Northern Affairs and Natural Resources decided to convert the Grise Fiord trading store into a co-operative, and in December 1960 the actual change was made. Now Thomassie's Trading Store was the Grise Fiord Eskimo Co-operative Ltd. The building and personnel remained the same and all inventory was transferred to the co-operative. A board of directors consisting of five Inuit was formed and two hundred shares, valued at \$100.00 each, were issued. The R.C.M.P. constable, not a member of the board, handled the combined functions of secretary and treasurer.

Although the new co-op came equipped with a set of by-laws similar to those of southern co-operatives it is clear that all of the provisions were not -- could not be -- completely adhered to. Theoretically the board of directors had the power to fire the manager/secretary-treasurer; in practice this could not be done. Credit, not permitted in the by-laws, was freely given. In short, the new co-operative created by the Department must have functioned in a manner very similar to that of the old trading store. Although the secretary-treasurer now reported to the regional D.N.A.N.R. field officer instead of his R.C.M.P. superior, most decisions concerning the daily operation of the store continued to be made at the local level.

The stated objectives of the Grise Fiord co-op, as outlined in the papers of incorporation, were:

1. "To buy and sell at retail rate all kinds of commodities of goods, wares and merchandise needed by its members and the general public".
2. "To promote handicrafts between the members; to undertake and carry on all kinds of business or operation connected with handicrafts; to purchase and supply the material needed for same and to buy from its members any type or kind of handicraft produced".

Other stated objectives of the new co-operative included the development of recreational facilities and the encouragement of all kinds of business. Thus, the Grise Fiord co-op was originally both consumer and producer oriented. Due to the small number of members, however, the production and marketing of handicrafts played a relatively minor role.

During the next fifteen years the co-operative grew steadily, in financial terms (see Table 1), membership, physical equipment and variety of goods offered to its customers. An initial government loan of \$10,000 was quickly paid off and two old buildings to be used as warehouses were added to the original store, which was itself a renovated former residence for the Inuit special constables. As of 1975, co-op property consisted of these three buildings. The combined store and office was heated; the two warehouses were unheated.

As a business, the Grise Fiord co-op was successful. The R.C.M.P. officers managing the store were usually efficient and conscientious and this resulted in a continuous series of good financial statements. From the minutes of general meetings it is apparent that there was also an attempt to educate the people to the meaning of a co-operative. Such things as the distribution of surplus, criteria for membership and the principle of one member - one vote were occasionally discussed with the Inuit members.

A young local Inuit started training in the 1960's for the eventual position of co-op manager. He quit in 1969 over a dispute about wages and went south to look for work. Two male adolescents were then hired to begin training; one lasted for several months while the other continued working for the co-op sporadically until 1975 at which time he was hired as a special constable by the R.C.M.P. The inability

	Gross ⁶ Sales	Gross ⁷ Margin	Contract ⁸ Revenue	Wages	Surplus ⁹	Members' Equity
1963	\$46,465	5,969	-----	824	5,145	8,850
1964	51,113	5,439	-----	970	5,349	8,850
1965	39,844	4,411	-----	385	?	?
1966	58,614	7,288	-----	?	?	?
1967	57,875	6,411	-----	761	3,398	40,775
1968	57,494	11,370	833	676	8,082	42,280
1969	85,852	19,773	2,669	5,213	12,051	49,839
1970	101,797	9,520	2,908	7,382	2,633	68,021
1971	101,080	26,302	13,624	14,652	16,775	71,680
1972	111,450	2,612	18,967	17,578	867	37,606 ¹⁰
1973	100,144	28,035	27,940	26,805	23,694	55,713
1974	121,225	7,113	43,950	31,747	36,398	79,380
1975	164,706	29,971	43,693	40,086	31,084	81,876

Table 1: Grise Fiord Eskimo Co-operative Ltd.:
Financial figures (in Canadian dollars)
as of July 31 of each year, 1963 - 1975

to attract and hold local potential managers has continued to be one of the major weaknesses of the Grise Fiord co-op.

By 1963 the board of directors had started to take an active role in certain aspects of management of the co-op. In his report of the general meeting for that year the secretary-treasurer states that "this is the first time to my knowledge that members have conducted their meeting with no coaching and openly entered into discussions without undue prompting: A... acted from the chair with professional talent and I attribute this to his attendance at the co-operative conference at Frobisher Bay. Without interference and coaching, members took a much more active interest and part in the meeting".

By the late 1960's most members of the board of directors appeared to understand those basic principles by which the co-op functioned — the relationship between the cost, selling price of goods and profit, and the connection between individual purchases and redistributed surplus. In 1974 at a general meeting, co-op members had become independent enough to vote down a proposal made by the R.C.M.P. in which the co-op would agree to move the store from land which was technically theirs. This occurred in spite of the presence at the meeting of the R.C.M.P. regional inspector from Frobisher Bay, and the resulting indecision of the president of the co-op's board of directors, who was himself the local R.C.M.P. special constable. Most members rallied around the only Kadluna on the board (the local mechanic) and the R.C.M.P.'s proposal was defeated.

In summary, then, members of the Grise Fiord co-op were starting to take an active interest in those areas in which they were knowledgeable. They had also come to understand the effects on the co-operative of some outside agencies such as the Department of Northern Affairs and Natural Resources, Government of the Northwest Territories, suppliers in the south, and fur auction companies. Concurrently, however, the people had become used to the strong, paternalistic management provided by the Royal Canadian Mounted Police. Management decisions concerning operating policy and the ordering of goods — legitimate areas of concern for the board of directors — were often made without prior consultation.

The R.C.M.P. relinquished control of the Grise Fiord co-op in 1973 as a matter of policy. With the advent of specialized government positions in Grise Fiord it was felt they could no longer justify their continued involvement in a theoretically independent organization. The wife of the

local Kadluna mechanic of previous mention agreed to take on the job and for the next two years she acted as secretary-treasurer/manager at a nominal salary. In 1975 she and her husband left Grise Fiord and it was decided to hire a Kadluna manager from the south, as there was still no local Inuit who was both willing and qualified to run the store. The co-op itself continued to operate along the lines of a commissary. It was open three days a week in the afternoon, dealt mainly in staples and rationed many items which were in short supply. On a typical 'store' day most of the Inuit would come at one time or another, many of them to sit and talk with their friends. Furs and handicrafts were brought in during store hours, usually to be credited to the member's account, and most items bought by the people were charged. Cash was rarely used by members except for minor items - candy bars, soft drinks and cigarettes - and many non-members also enjoyed the privilege of purchasing on account.

During the period 1968-1975 the co-op administered, on behalf of the territorial government, municipal contracts for the delivery of water and fuel oil and the removal of sewage, and in late 1975 it also took over the post office. The manager became more and more involved in administration - keeping accounts, placing orders, pricing fur and handicrafts and handling payroll - while the two clerks dealt directly with customers. The latter's ability to speak both English and Inuktitut (the Eastern Arctic Inuit dialect) suited them for this role.

With the exception of management, the role of the Kadluna in the Grise Fiord co-op was at best peripheral. They rarely became members and only one had ever been elected to the board of directors. In fact, most Kadluna unwittingly undermined the spirit and principles of

co-operation. They purchased carvings and handicrafts directly from the craftsmen at prices higher than the co-op could afford to pay and always took advantage of governmental freight allowances to bring in their own food.¹¹ Participation in the Grise Fiord co-op, in terms of the number of members and frequency of patronage, was overwhelmingly Inuit.

The Grise Fiord co-operative has, as we have seen grown with the community. It has evolved on a path that has diverged from that of southern co-operatives and has come to play an influential and unique role in the settlement. It is worthwhile to discuss some of those aspects that make the co-op unique in order that we may have a clear overall view of it and its place in the community.

One of the most distinguishing features of the Grise Fiord co-op is the virtually monopolistic position it enjoys with regard to the sale of groceries, dry goods and hardware. Although some dry goods and hardware are purchased from mail order companies in the south, they usually consist of those items that are not to be found in the co-op store as the mail order method of purchasing is time-consuming and uncertain. The co-op also holds a near-monopoly on the purchase of untanned furs, although occasionally, individuals passing through Grise Fiord, or Kadluna residents living in the settlement, buy directly from the Inuit for their own personal use. The general feeling among most Inuit in the community, however, is that the co-op should be supported by everyone. Indeed, with one or two exceptions all Inuit adults in the community are members of the co-op.

Because it has a monopoly on retail sales within the

settlement, the Grise Fiord co-op tends to function in some respects as a closed system. It uses the pooled resources of the Inuit members of the community to buy groceries and other goods, and the absence of competition allows prices to be set according to non-financial criteria. Fruit, for example, is considered by most Inuit to be nutritionally desirable and is flown into the community and sold at cost price. The profit lost by the co-op on fruit is then offset by raising prices on nutritionally undesirable items such as chocolate bars. Thus, the relative prices of items sold by the co-op can fluctuate, provided that the general price level of all items is sufficiently high to ensure an overall profit for the fiscal year.

The competition provided by another store in Grise Fiord would, however, make the above manipulation in prices extremely difficult, if not impossible. The competitor could sell chocolate bars, for example, at the lower 'free market' price; people would no longer buy the higher priced chocolate bars at the co-op, which then in turn could not afford to sell fruit at a loss. The price of the chocolate bars would decrease, the price of fruit would rise, and social considerations could no longer be taken into account in determining the price levels of various items.

The Grise Fiord co-op provides a wide range of goods and services, and employs a greater number of people than would a similar sized store in southern Canada. In its retail operations it sells groceries, hardware, dry goods and major items such as skidoos, appliances and furniture. Sales of the above items for the fiscal year 1974-1975 were approximately \$115,000.00.

The co-op also sells furs and handicrafts on behalf of the people of Grise Fiord to outside agencies. These activities, which generated approximately \$50,000.00 in

revenue for the fiscal year 1974-1975, provide a link between the traditional and wage-based economies operating simultaneously within the settlement. Traditionally, wildlife resources were usually harvested on the basis of specific, and often immediate, needs. Now, however, full time hunters can sell furs, fur products and, more rarely, meat to the co-op in return for cash payments which will satisfy a multitude of needs and desires. In this way hunting can become a very real type of wage employment. The co-op, by paying cash for wildlife products, allows both wage earners and hunters to purchase goods. As the fur market is notoriously fickle, however, and hunting conditions uncertain at the best of times, the amount of cash income earned by hunters can fluctuate widely from year to year.

The co-op also handles government contracts for the delivery of fuel oil, gasoline and, until 1975, water, ice and the disposal of sewage and garbage, for which it received approximately \$44,000.00 in the fiscal year 1974-1975. Most of the contract revenue is paid out to six regular contract workers.

The multinatured activity of the Grise Fiord co-op is well illustrated in its operation of the settlement post office. All mail into and out of the community passes through the co-operative. When individuals order goods from the south by mail, co-op personnel are often called upon to perform a variety of functions. They may write the cheque to pay for the goods and debit the individual's co-op account, put the cheque and order form in the envelope, attach the stamp (and debit the individual for same), cancel the stamp, put the letter in the mail bag, seal the bag and put it on the first plane to Resolute Bay.

Although co-operative ordinances make no provision for

banking functions, the Grise Fiord co-op is in fact the community's bank. Individuals and government agencies keep accounts with the co-op into which they regularly deposit funds. Inuit employees of both the federal and territorial governments usually deposit their pay cheques to their co-op accounts. The co-op then deducts the cash value of items bought from the account as purchases are made. Co-op cheques issued to mail order houses and government agencies on behalf of Inuit co-op members are also deducted from the appropriate account. Although some members do have regular bank accounts in Resolute Bay and Frobisher Bay they tend to rely heavily upon their co-op accounts for day-to-day transactions, and many people do in fact have large credit balances, sometimes totalling thousands of dollars, in these accounts. It has been proposed that the Grise Fiord co-op begin to pay interest on large cash balances; if this proposal is implemented there would then be very few banking functions not handled by the co-op.

The co-op acts as a de facto welfare agency when a member is allowed to overdraw on his account. In the past certain individuals have been allowed to go quite heavily into debt when they did not, for various reasons, have a steady income. In such a case the member has, through the co-op, been supported by the rest of the community until he has been able to pay off his debt. Members unable to pay off heavy debts owing to the co-op have occasionally been permitted to withdraw money from their share accounts, an action which is usually allowed only when a member moves from the community. Such a withdrawal weakens the co-op's equity position.

As a business establishment, the Grise Fiord co-operative is in a rather unique position due to its geographical isolation from the rest of Canada. Freight costs on

goods brought from southern Canada sometimes total more than 100% of the wholesale cost of the item, depending on its bulk and the means of transportation used. Pressure is put on the government at intervals to subsidize freight costs, and sometimes subsidies are in fact given. Too often, however, co-op members must pay inflated prices for goods purchased (as much as \$8.25 for a five pound box of detergent in 1975). Goods that miss the annual sealift resupply can be flown in only if they are relatively lightweight; otherwise, the community runs the risk of going a full year without the item in question.

Communication problems can at times be overwhelming. The only voice link with the rest of Canada, by radio-telephone or by short-wave radio to other high arctic settlements, is undependable at best. Infrequent mail deliveries can result in a two or three month delay before letters are answered, and co-op deadlines on ordering goods and paying invoices often pass before the letters of notification even arrive. Goods purchased by the co-op in the south sometimes disappear on transit to Grise Fiord and those that do arrive are not infrequently damaged.

The sudden access by the Inuit of Grise Fiord to material goods over the past few years has had a dramatic impact on the settlement. In 1967, for example, the first skidoo was purchased by one of the Inuit residents, and by 1973 dog sleds had, for all intents and purposes, been eliminated. Implus buying seems to be much higher than in the south and considerations of cost appear to play a smaller role, both as a partial result of charging goods on account. Members of the board of directors have often said that payment by cash was preferable to charging as people would then better realize the cost of the goods they were buying. Specialized items of little apparent functional use - electric typewriters being one example - are

occasionally bought, evidently for their novelty and prestige value. In short, the people of Grise Fiord are in the process of adapting to a rampant materialism that most Kadhuna have been exposed to since early childhood. If the advertisement says "Buy!" Kadhuna can, and usually do, take the exhortation with a grain of salt. Those Inuit who have, however, been sheltered from aggressive advertising are liable to take commercial blandishments at their face value. Snowmobiles, especially, are items of prestige, and many Inuit are willing to spend hundreds of dollars to have them delivered by air during the year instead of bringing them on the annual sealift, even when they may already possess machines which are in running condition. In the bleak geographical setting of Grise Fiord it is not surprising that material considerations play such a large role in community life. The Inuit of Grise Fiord tend to look upon money in terms of its ability to provide immediate satisfaction, and very few are aware of its potential for investment.

The co-op has an important role to play in the field of education in Grise Fiord. In fact, financial considerations in arctic settlements are often considered, at least in theory, to be secondary to educational ones, both by co-operative personnel and by government agencies dedicated to co-operative development. The main objective of those Kadhuna managing Inuit co-operatives is, ideally, to train, and be replaced by, local Inuit. All other things being equal, a co-op managed and directed exclusively by Inuit at the present stage of development is preferable to one with Kadhuna elements, as the former are more aware of, and responsive to, the needs of the people. Concepts of bureaucracy, universal rules and hierarchy have yet to be fully learned by the Inuit people of Grise Fiord. The degree to which they are able to operate in terms of these and other foreign concepts, however, will determine their success in

any commercial dealings which they may have with southern society. Because of the variety of roles it fills, and its shelter from free enterprise, the co-op is well suited to introduce the Inuit of Grise Fiord to many of the aspects of the 'southern' way of life. The financial cost of using the co-operative as an educational workshop, as reflected in decreased efficiency, must, of course, be shouldered mainly by its members.

One factor upon which the ultimate success of the Grise Fiord co-op will depend is the ability to accurately reflect and measure those operating conditions and goals which have just been mentioned. Because the success of any commercial enterprise is usually measured by traditional statistical accounting techniques, there is a tendency for most Kadluna -- management, government personnel and southern corporations -- to try to gauge the success of Inuit co-operatives by these same standards. As yet there is no way to measure as accurately the equally important educational and social aspects of co-operatives, and a great deal of distortion may thus result. In addition, as the following discussion will illustrate, other areas of potential misinterpretation can result from the use of traditional methods of accounting.

As has already been mentioned, the Grise Fiord co-operative tends to function in many respects as a closed system. This manifests itself financially in the following fashion. Most co-op members, through lack of an acceptable alternative, tend to deposit all their wages and other income into their co-op accounts, regardless of their actual purchases. The amount of cash flowing into the co-op, and subsequently deposited in its bank account in Resolute Bay, therefore tends to remain fairly constant, increasing only as the wages and other income of its members increase. If the co-operative does not purchase a relatively large amount

of goods for resale, excess funds will tend to increase. If, on the other hand, the co-op purchases a large number of expensive items for resale, it must pay its suppliers for these, and debit members' accounts accordingly as the goods are sold. Because the total amount of money deposited by members in their co-op accounts has not increased, they will start to go into debt and the co-op will find itself in a 'tight' cash situation and with a rapidly dwindling bank account. Thus, an increase in sales may well result in a decrease in available capital for the co-op. If enough desirable goods are brought into Grise Fiord for resale at the co-op, most members will be tempted to go into debt to purchase these goods. The co-op may then find itself in a crisis situation.

While a major purpose of annual financial statements are to indicate profit and loss, the concepts of profit and loss are of limited value to the Grise Fiord co-op. Profit merely indicates a surplus which will be paid back to members, either directly in cash, or deposited to their share accounts to be withdrawn upon the member's death or disassociation. To the extent that members look forward to the distribution of surplus at the end of the year and tend to overlook gradual increases in the price of goods, especially when bought on account, there is a strong temptation, because of the absence of local competition, for the manager to raise prices to the point where a healthy profit appears on paper. However, the end result in both cases is the same. Excess profit will be returned to members according to each individual's sales. From a purely financial viewpoint, then, the ideal method of operation should result in a profit large enough to finance internal expansion, but no larger. On the other hand, in the absence of competition any financial loss to the co-op can be remedied by a corresponding

price increase.

As transportation costs are extremely high in the Canadian arctic in general, and in Grise Fiord in particular, an increase in dollar sales for any period may reflect an increase in transportation costs, and nothing more. Similarly, a decrease in dollar sales may represent a decrease in the cost of transportation, and may actually result in a net saving to the community. Successful co-operative management in remote communities such as Grise Fiord thus depends upon the ability of the manager to bring goods into the settlement at the lowest possible cost. Increases in profits and sales as reflected in the financial statements could very well be a result of inept management. An accounting system that is suited to northern co-operatives must be created in order to avoid the incorrect analysis of financial statements.

These are, then, some of the ways in which the Grise Fiord co-operative differs from those in the south. Most of the points discussed here could be equally applicable to other Inuit co-operatives. Some, however — the closed system aspect and manipulation of prices and profits in particular — are applicable only to those co-ops in the north that enjoy positions of monopoly similar to that of Grise Fiord.

CHAPTER FOUR

Internal Structure and Relationship Ideals Within the Grise Fiord Co-op

The Grise Fiord co-op, like all other co-operatives, has a board of directors which is elected by, and is, ideally at least, responsible to, the general membership. The board of directors in turn is empowered to appoint a manager. The manager should direct the day-to-day operation of the co-op and report to the board at more-or-less regular intervals. Figure 4 is a schematic attempt to portray the components of the Grise Fiord co-op and the actual interrelationships between these components. This structure should be compared to the ideal internal organization of southern co-operatives as represented in Figure 3. Both Figure 3 and Figure 4 should be referred to in the discussion that follows.

In a balanced relationship, power should be offset by responsibility for that power; otherwise, the individual holding a position of power is free to use it in an arbitrary and capricious manner (Levy 1966:295). With this point in mind, each of the components of the Grise Fiord co-op, and their interrelationships, will be explored in some detail.

Co-op members. Any individual living in Grise Fiord may become a member of the co-op subject to the approval of the board of directors and the payment of a \$100.00 membership deposit which is refunded upon withdrawal. A member of the Grise Fiord co-op is entitled to attend general membership meetings as well as participate in any declared refunds (which in the past have been substantial). With the exception of two women, all Inuit adults in Grise Fiord are co-op members. At any one time, two or three Kadluna working in the settlement, usually including the

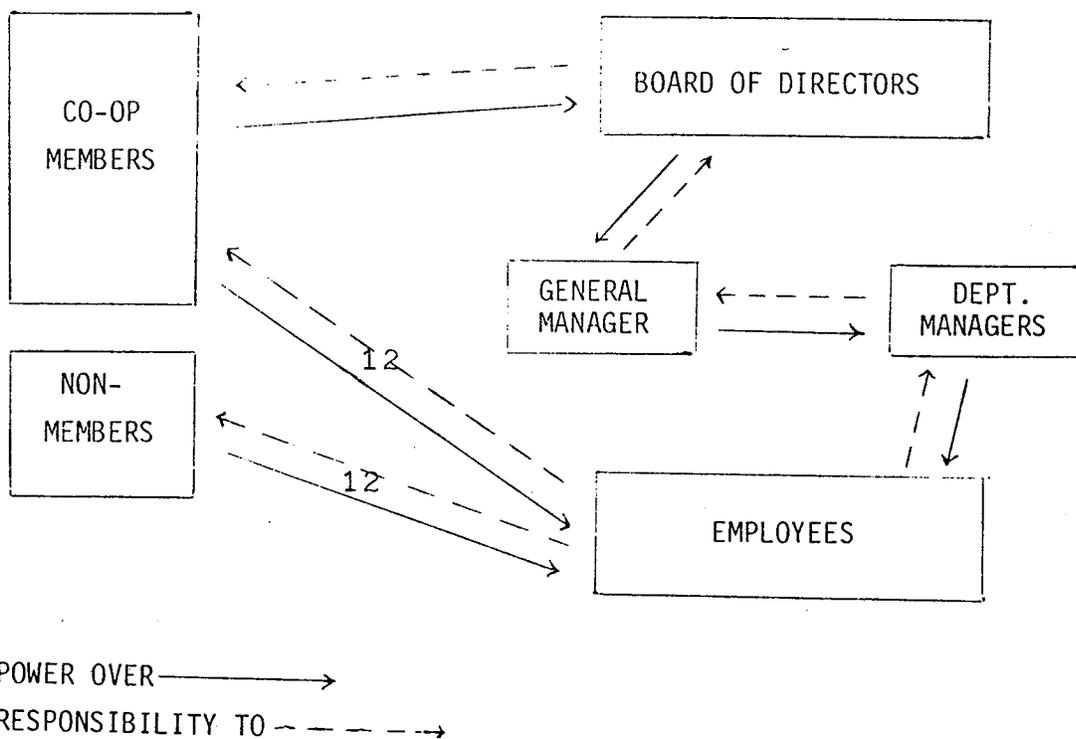


Figure 3: The ideal internal structure of a large southern co-op

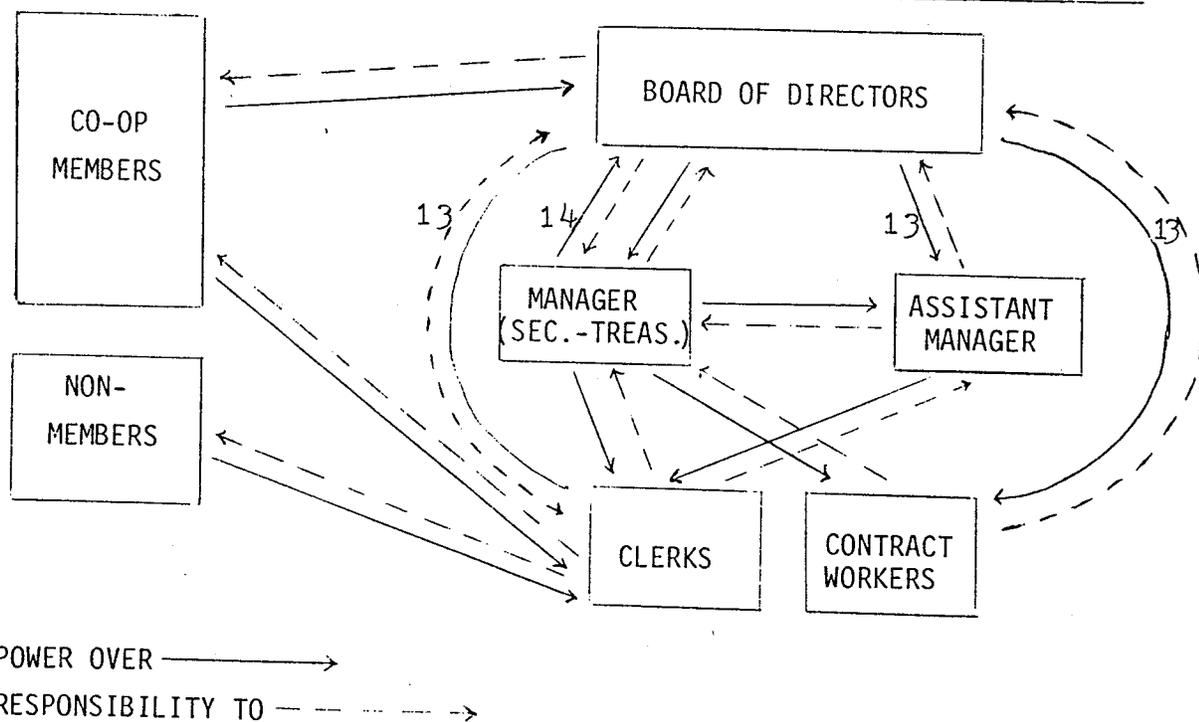


Figure 4: The actual internal structure of the Grise Fiord co-op



co-op manager, have also been members. Many members take an active role in the operation of the co-op through their suggestions to members of the board of directors.

Board of Directors. The board of directors is by law responsible for determining the policies and long range objectives of the Grise Fiord co-op. Each member is elected by the general members at the annual meeting to serve for a period of three years. In 1975 the Grise Fiord co-op had a board of directors composed of six members — four men and two women. Two of the men belonged to the Port Harrison community, the president and another member were from Pangnirtung, and the two remaining members were from Pond Inlet. The youngest member was twenty-six, the oldest fifty-five, and the others were in their late thirties or forties. For years the local R.C.M.P. officer, in his role of secretary-treasurer of the co-op, was a member of the board. Although the present position of manager does not theoretically have membership on the board, he is, for all practical purposes, a member due to his active role in board meetings. The board passes on the suggestions and complaints of all co-op members to the manager and it usually participates in policy decisions concerning all co-op employees.

Annual General Meetings. At least once a year a general meeting of all co-op members is held, at which time items of general importance are discussed — dividends, financial statements, large capital expenditures and major policy changes — and new members of the board are elected to replace their outgoing counterparts. The board of directors is expected to give a general operational report for the previous year, which is usually done orally. At most general meetings there is also an attempt to educate members to some of the less obvious aspects of business management. In the 1975 general meeting, for example, the concept of interest was discussed.



Manager. The position of manager in Grise Fiord was created in 1975 to replace that of secretary-treasurer. There is little, if any, functional differences between the two and I will treat both positions as being identical, using the term 'manager' for the sake of convenience.

The role of manager has in the past been identified in authoritarian terms by the Inuit people of Grise Fiord. Thus, although the manager was in theory directly responsible to the board of directors for carrying out its policy decisions, in reality he himself had considerable latitude to decide what would be best for the Inuit and to implement these decisions. The power-responsibility relationship between the manager and board of directors was thus sometimes reversed, making the manager the source of power and focus of responsibility for the board members. In 1975 the board of directors of the Grise Fiord co-op was taking an active role in the social and personnel policies of the co-op, but most of its financial affairs were left in the hands of the manager. (This is a fundamental weakness of almost all Inuit co-operatives and will be discussed later at greater length). The manager of the Grise Fiord co-op thus had an important role to fill in educating the members of the board of directors in those financial aspects of the co-op which they might not understand.

Assistant Manager. The assistant manager, usually Inuit, is selected by the manager in consultation with the co-op board of directors. Hopefully he will learn the functions of, and eventually replace, the manager. The assistant manager's work is similar to that of the store clerks; he must, however, also handle bookkeeping and secretarial duties. The turnover of assistant managers is quite high, due to pressures which will be discussed below.

Board Meetings. The board of directors meets with the

manager and assistant manager of the co-op at regular intervals. The topics discussed are almost without exception social - selecting people to work in the store and on contracts, deciding credit limits, discussing personnel problems and encouraging the manufacture of handicrafts. Meetings are often called on the spur of the moment to handle crises which have arisen - the refusal of an employee to work, breakdowns in contract machinery or complaints concerning store policy. There is seldom a fixed agenda to follow during board meetings. The conversation tends to jump from one point to another and everyone is given the opportunity to speak. Agreement is generally reached by consensus and compromise. A formal vote is taken only when the item under question is of sufficient importance to involve outside agencies, as in the signing of contracts with the territorial government, borrowing of funds, approval of major capital expenditures or implementation of significant changes of policy. Financial topics are discussed by the manager as a matter of routine although there tends to be little input from the board on these matters. While all members of the board are very hesitant to criticize or engage in confrontation, they can be quite persistent in making a point which they believe to be important.

Clerks. With a few exceptions the clerks in Grise Fiord have traditionally been male. The turnover is quite high, with six people filling two positions in the co-op during 1975. The positions, unfortunately, are usually looked on by most employees as a means of putting in time until a more worthwhile occupation appears. The sense of community pride in the co-op, however, has until now motivated most clerks to do a reasonably good job in fulfilling their obligations. As Figure 4 illustrates, clerks are in a

sensitive position exposed to pressures from management, the board of directors and other community members. Clerks often find themselves in the position of receiving conflicting demands from these three sources of input. For example, customers (usually relatives) may try to circumvent credit regulations laid down by the manager and board of directors; in such cases clerks will invariably obey the more authoritarian figure. Clerks are often influenced by non-members, especially Kadluna, who theoretically have no say on co-op policy.

Contract Workers. In 1975 there were approximately six Inuit working on contracts administered by the co-op on behalf of the territorial government. These individuals are thus not considered to be 'true' co-op employees. Although they are paid by the co-op they often receive advice from government officials within the settlement. Problems arising from the dual nature of this kind of work will be discussed at length in later chapters.

In any discussion of those roles found within the Grise Fiord co-op, a knowledge of the differences between Inuit relationship ideals and 'business' relationship ideals will help us understand some of the inherent problems co-ops have to deal with in the arctic.

Individual relationships between Inuit have traditionally been based to a large degree on kinship. In order to facilitate social integration, non-relatives (trading partners, for example) were often assigned fictive kinship positions (see Chance 1966:49). Non-kin statuses were based largely on personal qualities such as strength, hunting ability and story-telling skills (Vallee 1967). Using Marion Levy Jr.'s system of classification (Levy 1966:60), the

traditional Inuit relationship ideals could be described as being:

1. particularistic: an individual's general attitude toward others is largely determined by kinship and other ascribed personal criteria.
2. emotionally charged: one should love, or at least respect, those individuals with socially approved particularistic qualities.
3. functionally diffuse: a person's rights and responsibilities toward others are not precisely defined. (A husband-wife relationship is, for example, functionally diffuse, even in southern society).
4. egalitarian: Inuit society contains very few politically defined hierarchical elements. Traditionally, individuals with similar personal qualities were viewed by the community as being equal.

'Business' relationship ideals, on the other hand, are:

1. universalistic: an individual is ideally judged by achieved universal criteria such as business acumen and level of ability.
2. emotionally neutral: to be objective in the judgement of behaviour one must be emotionally 'detached' from the individual one is observing.
3. functionally specific: the rights and obligations of an employee are usually specified, often in the form of a contract.
4. hierarchical: in any business there is usually a clear chain of command based on achieved performance through which one individual is dominated by another.

In addition to the above, there are two relationship ideals which probably coincide in both the 'business' and Inuit communities. These ideals encourage individuals to be:

5. rational: while many societies justify the behaviour of their members according to traditional criteria ("What's good enough for my father is good enough for me"), behaviour in both Inuit society and the southern business community is based

largely on a rational approach. Traditional activity is permitted providing it yields effective results, otherwise it is abandoned.¹⁵

6. responsible: while the traditional business community may have had its raison d'etre in the highly competitive struggle for profits, it has recently been forced to become more responsible for its actions, as the current concern for the environment illustrates. Co-operatives, especially, are ideally responsible institutions. As in traditional Inuit society, a co-op's activity is usually judged by its effects on the members of the community.

The main question that should be posed at this point, therefore, is how the first four conflicting relationship ideals are resolved in Grise Fiord to enable the co-op to function effectively. Hiring one's nephew to manage a store might be a highly 'moral' act from a traditional Inuit point of view. If you didn't care for your relatives, who would care for you during periods of famine, sickness, and inevitably, old age? However, from a business point of view, such an act would be viewed as 'immoral' if the hiring was done for any reason except that of personal ability. Similarly, appeals to emotion, while effective in a family setting, may not be so in managing a business.—

In the industrialized society of southern Canada and the United States, family and business roles, as well as the behaviour appropriate to each, have been rigorously separated. (The saying "He'd sell his own grandmother for a nickel" illustrates society's contempt for those who fail to make such a separation). Many Inuit, however, have still to learn the modes of behaviour appropriate to running a business, and how to keep these latter separated from traditional norms. Thus, an Inuit clerk who habitually related to his father in terms of the traditional Inuit ideals discussed above would find it difficult to change his behaviour when meeting his father in a clerk-customer relationship. ¹⁶

The co-op manager, who in Grise Fiord has invariably been Kadluna, is, of course, accustomed to acting in terms of different roles, and over the years the Inuit people have had to try to adjust to the wide variation in the behavioural responses of the Kadluna. How could the manager be your friend one day and cut off your credit the next? This conflict of roles was very hard to reconcile, with the result that 'nice' managers ran the risk of being unable to enforce co-operative regulations, while effective managers often found themselves alienated from the people they served. ¹⁷

For other members of the co-op, especially those filling such active roles as clerk or member of the board of directors, the greatest challenge has rested in the attempt to understand the mode of behaviour appropriate to the particular 'business' role involved and in turn fulfill these behavioural requirements. It is clear that in Grise Fiord these role requirements are understood by many of the co-op employees. A common remark during board meetings has been "We have to treat everybody the same way. Even the Kadluna have to follow our rules". The future and ultimate success of the Grise Fiord co-op is contingent upon the extent to which such rules of behaviour are learned, accepted, and put into practice.

Until this happens, however, certain compromises must be made to allow the co-op to effectively function. Several techniques can be used. One may, for example, achieve a de facto universality through the opposition of matched particularistic tendencies. Thus, in Grise Fiord care is taken to ensure that members of both the Pond Inlet and Port Harrison populations are on the board of directors, and, in particular, that they participate in the grading of skins and pricing of handicrafts. Any potential charges of

favoritism are thus minimized.

Emotional neutrality in business relationships is closely tied to the ideal of universalistic criteria for selection. In small settlements in particular the relationship between people working together tends to become strained (Smith 1973). Emotional biases that enter into working relationships complicate the problem of impartially judging the performance and potential of fellow workers. Emotional responses which are cued to relevant criteria — approval for work which is well done, and concern for work which is not — may in fact improve employee performance. Conflicts arising from differences in personalities, or other non-relevant criteria, can, however, only hamper the effective functioning of the organization.

The role of co-op manager is perceived by many Inuit to be functionally diffuse and to a certain extent this is true. The manager is responsible for a wide range of duties — he must mediate in disputes between personnel, stamp and send out the community's mail, keep records, occasionally stock shelves, price furs and handicraft and even go on trips to search for soapstone. Attempts which have been made in the past year or two to assign specific functions to other store personnel have been partly successful.

In the past, the co-op manager has been an authoritative figure, and was thus looked upon by the Inuit as being responsible for all aspects of the store's operation. When the clerks didn't report for work the manager was supposed to operate the store. As clerical positions with the co-op ranked low in terms of both prestige and salary, a manager would risk losing his employees by treating them too harshly if they missed work from time to time. In order, therefore, to avoid doing all the work, a manager could perhaps refuse to learn some of the co-op's clerical functions. Discontent

among customers could then force the recalcitrant clerks to fill their roles within the co-op.

Because of the egalitarian nature of traditional Inuit society a kadluna manager has one distinct advantage over an Inuit one; kadluna, as mentioned above, are viewed as being authoritarian. Kadluna in the arctic have traditionally made and enforced many of the rules by which the Inuit had to live, and they continue to do so today, although to a lesser degree. Most Inuit, on the other hand, would find it difficult to impose rules and regulations on their relatives and friends. If members of the board of directors have authority through such personal qualities as hunting ability, wisdom and physical strength, they will be obeyed and respected. Many board members have these qualities — in fact, it is usually because of them that they were elected to the board. Clerks, on the other hand, are usually young and lacking in authority. They are consequently often ignored by their elders. Clerks must, therefore, turn to the co-op manager or a board member for support when their activities are challenged by other members of the community. In short, authority amongst Inuit in most small communities resides in the individual and not in the office. Grise Fiord is no exception to this rule.

Although the previous observations have been derived mainly from activities in Grise Fiord, many of the concepts and conclusions could apply equally well to other small consumer co-operatives in the Canadian arctic. There is no doubt that problems arising from conflicting relationship ideals are found throughout the north wherever the white and native cultures interface. That many of these problems may be overcome or circumvented, in the short run at least, is evident in the operation of the Grise Fiord co-op. The total elimination of these problems, however, will not be achieved

until the Inuit people master the ability to function in terms of different roles, each with their own rules of behaviour.

CHAPTER FIVE

The Grise Fiord Co-op and the Future

The Grise Fiord co-op is, as we have seen, an integral part of the community itself, and the future of both are inextricably linked. The following discussion will present three possible directions for future development in the community of Grise Fiord and the implications of each for the co-op. In order to better understand the implications of the third alternative I have included a brief description of Resolute Bay and its co-op as of 1975.

Possibility #1. The population will decrease as families move back to their communities of origin, as they have been threatening to do for many years. The younger generation will also leave the settlement en masse in search of greater opportunities in the south. As a result, Grise Fiord will suffer the fate of many small farm communities in the south and eventually revert to an R.C.M.P. outpost or disappear completely.¹⁸

Possibility #2. The settlement will continue its past pattern of growth. The population will grow mainly through childbirth and few Inuit or Kadluna outsiders will move in. The settlement will remain isolated and its demographic composition will remain largely unchanged.

Possibility #3. Because of economic, military or political reasons, Grise Fiord will grow rapidly; many Kadluna, and possibly other foreign elements, will move in. Television and telephone will be beamed in by satellite. Magazines, alcohol and luxury goods will become more readily available, and other business institutions may be established in the settlement.

The implications of possibility #1 for the future of the co-op in Grise Fiord are fairly obvious. The sale of goods, and income from furs and handicrafts, would level off and

then gradually decline with the decrease in population. As equity was withdrawn by emigrating members, the co-op would become weaker financially and eventually reach a point where, barring government intervention, the acquisition and replacement of assets would cease. Remaining members would in all probability lose their invested capital in the resulting bankruptcy.

The implications of possibility #2 are also fairly obvious. Given a steady natural increase in population, the Grise Fiord co-op, in the presence of good management, should continue to grow and prosper. Possibilities for handicraft-related employment would increase, and the reliance on furs as a source of income would decline as more of the population turned to wage income. With a stable financial base, the development of responsible management and an effective board of directors would continue as the younger generation, better able to understand and handle the complexities of Western society, took its rightful place in the community. Good, sound management would be important during this phase as the co-op would continue to be vulnerable to the whims of Kadluna managers. At the same time, the continuing interest of the board of directors and the general membership in the welfare of the co-op would dampen many of the potential excesses of management. In short, in spite of the very real cultural differences of its Inuit members (Freeman 1969), the growth and development of the co-operative in a solid, evolutionary manner could continue into the foreseeable future.

Possibility #3 presents a more complicated scenario. In order to give an idea of some of the implications of rapid expansion, a comparison of the settlement and co-op of Grise Fiord with its counterparts in Resolute Bay, N.W.T. will be made.

Resolute Bay was founded as a joint U.S.—Canadian air force base shortly after the second world war. In the early 1950s Inuit were brought up from Port Harrison and Pond Inlet, ostensibly to take advantage of the area's good hunting conditions. The Inuit of Grise Fiord and Resolute Bay are in fact closely related, having come from the same original settlements and often the same families.

The air force base was transferred to the Department of Transport in the 1960s: until this time the Inuit settlement had developed separately from the air base as members of one community were not encouraged to visit the other. (This applied above all to base personnel, who were usually prohibited from going to the settlement.) The base and settlement were approximately five miles apart and joined by a road that was kept open all winter.

By the mid-1970s a considerable amount of interaction between the two communities had developed. There were now approximately 250 people on base, the majority of them working for the Department of Transport or the airline and oil companies. There were very few women on base, however, and the average age of the men was about 30. On the other hand, there were almost 170 people in the settlement, most of them Inuit. The Kadluna living in the settlement held positions similar to those found in Grise Fiord and approximately 20 Inuit from the settlement worked on base, most of them manual labour or clerical positions. One Inuit, however, was base manager of the Resolute branch of Nordair, a Quebec-based airline that flew in from Montreal twice a week.

The settlement in Resolute shows greater signs of cultural dislocation than that of Grise Fiord, and most of those typical social problems discussed by Brody are very evident (Brody 1975:166-211). Alcohol and drugs, easily available on base, are in widespread use and a relatively large proportion

of the youth appear to be unemployed. Many of the young Inuit adults are unmarried because the girls prefer to have boy-friends from among the Kadluna on base. Some adolescents are openly scornful of their parents and there are frequent fights, some of them quite violent, marital separations, and at least one divorce. On the whole, then, family structure would appear to be more unstable in Resolute Bay than in Grise Fiord. Some of the Port Harrison and Pond Inlet people of Resolute Bay have, however, intermarried.

Resolute Bay has regular jet service (from Winnipeg, Edmonton and Montreal), television and satellite telephone. The presence of a Hudson's Bay store, bar and cafeteria/restaurant make the base attractive to those living in the settlement. The 'Bay' deals in drygoods and hardware, most of which is not available in the co-op store in the settlement, and competition between the two is minimal.

The co-op stores in both Resolute Bay and Grise Fiord were established in 1960, and both dealt, and continue to deal, in similar goods; any differences between the two operations in this respect are quantitative rather than qualitative. The co-op store in Resolute, however, has a larger population to draw upon. Until 1969 the Resolute co-op was run by the R.C.M.P. in a fashion similar to the one in Grise Fiord. In his 1967 report Bissett stated that "the Resolute Eskimos are extremely proud of their co-operative and show a continuing interest in improving its operation. (It) can be deemed to be one of the most successful co-operatives in the eastern Arctic, both in terms of financial condition and educational value" (1967:84).

After the R.C.M.P. relinquished control, the Resolute co-op was managed by a local Inuit, with some success, until local pressure forced him to give up the job in the early 1970s. At that time a Kadluna who was working on base was

offered the job of manager and he accepted; he was married to a local Inuit girl and moved into the settlement to take on his new duties. He died two years later and it was subsequently discovered that the co-op had lost a considerable amount of money during this period because of poor equipment maintenance and incomplete records.

A new manager was sent in by the territorial government to run the store until a permanent manager could be found. He left after three months, however, and a student was hired to manage the store for the summer. During this period the co-op's day-to-day operations appeared to stabilize. A continual poor financial situation, however, forced the Eskimo Loan Fund (administered by the Department of Indian Affairs and Northern Development) to refinance the co-op with a series of loans. In September 1974 the territorial government hired a new, supposedly permanent manager; due to personal problems, however, he was released soon after his appointment. His replacement, hired by the co-op's board of directors from the base, had little knowledge of business procedures and also left, or was forced to leave, after nine months on the job. For several months following, there was no manager in Resolute and a government employee came up from Frobisher Bay on an intermittent basis to oversee operations. In January 1976 a new manager was hired and, at the time of writing, is still in charge. A new store has been built and the co-op appears to have stabilized once more.

Thus, over a period of four years, there have been a total of eight different co-op managers in Resolute Bay. The fortunes of the co-op have depended largely on the ability of each manager, although all have been hamstrung by a continual shortage in operating capital, frequent disagreements with members of the co-op's board of directors, and the lack of continuity in knowledge and operating procedures. Since

1969 the Resolute Bay co-op has not, at least until very recently, had any chance to develop in a planned, logical fashion.

There seems to be constant pressure brought upon the members of the staff of the Grise Fiord co-op to perform satisfactorily, probably because of the genuine concern of its board of directors and general membership. In Resolute the intervention of the territorial government, although necessary, tended to remove much of the co-op's direction from the Inuit people. The co-op had constantly lost money over a period of several years, and governmental agencies were continually forced to refinance it. Once the people of the settlement realized that the government was behind the welfare of the co-operative, there was a growing tendency for members to use the co-op for their own personal ends. Strong political pressures would have made it very difficult for the government to withdraw support for the co-op once it had been initially given, and this potential for exploitation did not go unnoticed. The Grise Fiord co-op was viewed by its members as an independent entity which would only thrive and prosper through good management, adequate direction and the support of the community. The Resolute Bay co-op, on the other hand, was seen by its members essentially as an appendage of the territorial government, largely unaffected by the people it employed and served.

Co-op managers in Resolute thus often found themselves going against community feeling, and becoming frustrated by decisions made by the board of directors. Although some managers were actual employees of the territorial government, they were at the same time (ideally at least) responsible to the co-op's board of directors. They had less control over other staff personnel than was the case in Grise Fiord as they found it difficult to draw upon the community for support.

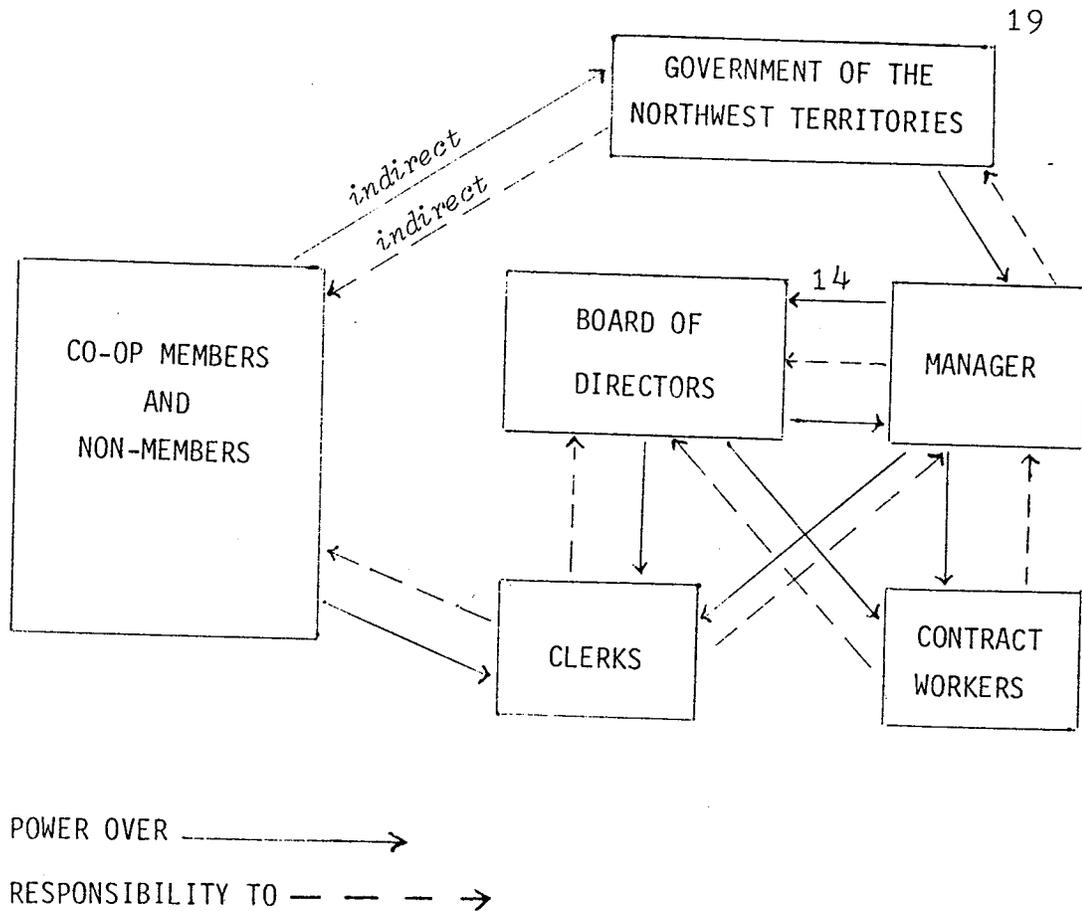


Figure 5: The internal structure of the Resolute Bay co-op in 1974

The board of directors, on the contrary, had control over the co-op staff through personal family ties.

Figure 5 illustrates the unbalanced internal structure of the Resolute Bay co-operative in 1974. The manager was responsible to both the territorial government and the board of directors while the board of directors was responsible to no-one. As a result, situations of conflict were bound to occur. The elimination of dividends had removed any real distinction between members and non-members. Indeed, because

accurate records of each member's purchases were not kept it would have been impossible to accurately distribute dividends, had there been any.

The situation in Resolute was a difficult one to resolve. The co-op had deteriorated to the point where the normal stabilizing mechanisms present in the Grise Fiord co-op were no longer functioning. The Inuit people of Resolute had been educated by the course of events to look upon their co-op as being, in essence, an outside agency over which they had little control. There was no doubt that the co-op was continuing to play an important role in the community, but in fact it was no longer a co-op. The necessity of outside assistance had drastically changed its relationship to the community.²⁰

I have made this extended comparison of the two communities and their respective co-operatives in order to give some understanding of the implications of Possibility #3 for the future development of the Grise Fiord co-op. The settlements of Grise Fiord and Resolute Bay are composed of Inuit of very similar cultural background. The Inuit of Resolute, however, have been exposed to a portion of southern society, and its trappings, in a transient, unstable and sometimes destructive form. They have in the past recruited co-op managers from this source. The probable conclusion that an Inuit, who has had no previous exposure to the south, would make upon visiting the base in Resolute would be that the heavy use of drugs and alcohol, sexual promiscuity, and lack of a visible family life were common to the rest of southern society. In trying to cope with and assimilate these values, the quality of life in the settlement would suffer. The resulting socio-cultural breakdown would in turn affect the performance of the co-operative.

CHAPTER SIX

Inuit Co-operatives - Areas of Weaknesses

The foreign origins of co-operatives in the arctic are fairly obvious. Under the supervision of southern-based agencies, their structural framework has been imposed upon, and fostered within, arctic communities. Their total integration into Inuit society, however, has yet to be achieved. The ultimate fate of Inuit co-operatives depends upon many factors, some of which will be outlined below.

Co-operatives function, ideally, in a democratic manner; they are supposedly controlled by the people they serve. Many co-operatives in the arctic are not co-operatives in a true sense because they do not fulfill these requirements. In their attempts to be financially successful they may become estranged from their members, and in other respects operate like non-co-operative businesses.

A crucial area of concern, then, is the attitude of the Inuit people toward their co-operatives. Depending on the circumstances, a co-op can be perceived by its members as a de facto welfare institution, supported by the government and controlled by forces outside of the community, or it can be viewed as a local organization supported by, and dependent upon, the members of the community.²¹ Success also depends largely upon the ability of co-op members to understand and accept those principles upon which co-ops are founded, principles which are alien to traditional Inuit society. The following is an example.

A traditional weakness of the Grise Fiord co-op (and indeed most Inuit co-ops) has been the inability to democratically limit the extension of credit to members. Although a strong, independent manager can successfully limit credit by fiat, the position of the members of the board of directors in the community makes it less likely for them to enforce

credit limits as they are unwilling to pass judgement upon friends and relatives. In 1976 the manager and board of directors of the Grise Fiord co-op managed to temporarily solve this problem by passing a resolution which stated that henceforth all credit limits would be limited to \$100.00 per member; non-members would not be allowed to charge. Moreover, anyone who had exceeded the above limits would have his name written on a sheet of paper which would then be prominently posted in the store. People whose names were on this list would be required to pay cash.

The passing of the resolution was not unusual in that it had been done many times before. However, attempts to enforce this resolution have invariably ended in failure. It was very difficult to stop those who were in debt from buying basic necessities and then charging their purchases. The manager thus found himself in an increasingly uncomfortable situation and was looked upon with disapproval by most of the members of the co-op. However, the posting of the names of offenders in the co-op solved many of the problems associated with enforcing credit limits. While no attempt was usually made to stop those who were in debt from charging, the repeated appearance of their names upon the debtors list was noticed and commented upon by most members of the community. As a result, community pressures of a traditional Inuit nature - disapproval, gossip and even partial ostracism - could be brought upon offenders to encourage them to pay their debts as soon as possible. Application of this sanction was universal; everyone - Kadluna and Inuit, member and non-member, even co-op employees - who exceeded the credit limits had their names posted. Inuit and 'business' relationship ideals were thus combined to form an effective, functioning whole. 22

Another crucial area of concern for arctic co-ops is management. Local Inuit managers usually do not have sufficient education to handle much of the paperwork involved in running a co-op. They also find it difficult to enforce decisions of the board of directors due to:

1. the ideal egalitarian social structure within the Inuit community discussed above, by which no-one should be allowed to give orders, or should in turn have to obey them.
2. possible accusations of favoritism by other families or factions within the community.

Moreover, those Inuit who have the education and ability required to manage a co-operative are usually hired by outside (often governmental) agencies offering higher wages, better living conditions and the chance to travel.

Management by Kadluna, on the other hand, involves risks which in the long run are perhaps even more serious:

1. Kadluna management is ideally temporary and educationally-oriented. As soon as the manager has trained a local replacement he should leave. Some Kadluna, however, make no attempt to train local replacements and in fact entrench themselves in the community, unnecessarily overcomplicating the functions of management and overriding, or ignoring, decisions made by the board.

2. With a few exceptions, co-operatives cannot offer a wage scale high enough to attract competent Kadluna. As a result, some Kadluna managers are little more qualified than their Inuit counterparts.

3. The longer an outsider resides in a community, the more he will tend to be associated with one of several political, economic or religious factions. Eventually he will face the same accusations of favoritism that an Inuit manager would have to deal with.

4. In the past, some Kadluna managers have been hired by the territorial government or other outside agencies. This, as mentioned in Chapter Five, tends to obscure or negate existing channels of power and responsibility.

5. Kadluna generally reside in Inuit communities for relatively short periods of time. There is thus a problem of transition and lack of continuity which may reach critical proportions.

Those weaknesses associated with the boards of directors of Inuit co-operatives have been discussed in Chapters Four and Five. In summary, they are:

1. Board members, through lack of formal education, find it hard to understand or control many of the financial aspects of co-operative management. They are usually more concerned with the social aspects of the co-op and are too often content to let the manager, or other outside agencies, control other areas which should concern them.

2. Board members, at least initially, look toward management for guidance. If they see a manager taking advantage of his position in the co-op, they will tend to do the same.

3. The need to achieve a factional balance on the board often hinders election on the basis of more relevant qualities.

Most of the weaknesses associated with the boards of directors of Inuit co-operatives will be overcome mainly through a rise in the general level of education and breakdown of factionalism within the community; this may take many years to achieve. These same areas of weakness are, of course, also found in the general membership of co-operatives and thus require the same solutions.

Many Inuit producer co-ops lack a solid economic base on which to operate. They derive their income largely through the sales of furs, hand-manufactured clothing, carvings, and prints, the demand of which can vary widely over a relatively short period of time.²³ Without a stable, foreseeable source of income, planning and budgeting become very difficult, if not impossible. Consumer-oriented co-operatives are inherently more stable because they sell goods to members living within the community. In recent years many Inuit have succeeded in obtaining steady jobs within the settlements, and co-operative income from sales to the community can be forecast with a relatively high degree of accuracy.

A particularly sensitive area of concern for Inuit co-ops lies in their links with such government agencies as the Department of Indian Affairs and Northern Development, the Royal Canadian Mounted Police and the Government of the Northwest Territories. These agencies were instrumental in the foundation and early development of Inuit co-operatives, and without their help, many co-ops could not survive. If, however, Inuit perceive their co-ops as being run by the government, they will probably feel that they themselves are not responsible for ultimate success or failure. This feeling is often reinforced by the actions of some government personnel in the settlements who treat co-ops as being de-facto branches of the territorial government. (This attitude, common in many areas of daily life in the arctic, differs markedly from that of government personnel in the south who tend to be much more neutral.) In those settlements where the government has a decisive role in the operation of co-ops, moreover, conflicting policies often hamper effective development. Government personnel sometimes take a short-term view of co-ops, and are more concerned with day-to-day profitability than long-term development. Although often necessary, governmental participation in co-ops does

not always produce lasting solutions.

Because all Inuit co-operatives are geographically isolated from the commercial centres of southern Canada, there are always problems in the areas of communications and transportation. Consumer co-operatives are almost wholly dependent upon their southern suppliers, and producer co-ops upon their southern wholesalers, yet they do not have adequate contact with these organizations. Many co-op managers have, in isolated frustration, watched their carefully prepared plans being destroyed by forces beyond their control. In Grise Fiord it sometimes takes months to receive a reply to letters of complaint or enquiry, and communication by radio-telephone is uncertain at the best of times. As air transportation in the arctic is very expensive, most consumer co-ops are dependent upon yearly resupply by ship; in the high arctic this yearly resupply is undertaken by the Department of Transport. Goods frequently miss the ship at the point of embarkation or arrive in a damaged condition. In 1975 a strike by the major suppliers in the south necessitated a last minute resupply through alternate sources. As a result, much of the food did not arrive in Grise Fiord and an airlift had to be organized during the winter. In short, a regular, reliable and relatively cheap form of transportation is desperately needed in the arctic.

According to co-operative principles, each co-op is, at least theoretically, independent. In the south, however, co-ops have banded together in federations and other voluntary associations. In the arctic, this process has just started and co-ops still tend to function independently of one another. In the high arctic, for example, the co-operatives of Grise Fiord, Pond Inlet and Arctic Bay have traditionally had little interaction with each other. It is clear that, in order to achieve greater efficiency and economy, co-ops

are going to have to communicate and trade with each other on a more frequent basis than they have in the past. The transportation and purchase of supplies, recruitment of management and co-ordination of policy must be done jointly by all co-ops for the greatest mutual benefit. This will require a strong, active arctic co-operative federation which all member co-ops must support. Arctic co-operatives can be a decisive factor in the life of each community, and the arctic as a whole, only if they are united.

CHAPTER SEVEN

Cultural Change and the Co-operative Movement in
the Arctic - A Perspective

Co-operation has been defined in Chapter One as "that portion of the activity of two or more individuals directed toward the achievement of a commonly shared goal". Ideally, if not always in practice, the Grise Fiord co-op (and indeed, most arctic co-ops) operate according to this definition.

The Grise Fiord co-op, then, is an organization directed toward the optimal use of the economic resources of all its members. The activities of the members of the co-op in achieving that goal are co-ordinated, through the operational structure of the co-op as outlined in Chapter Four, and voluntary in that membership, which in itself is not obligatory, does not require participation in all areas of co-op activity.²⁴ Attempts have been made by the co-op board of directors and other agencies to ensure that all members perceive, and share, this common goal of optimum resource use. As a result the co-op has been relatively successful since its inception.

The argument has been made by some (Arbess 1966, Evans 1964) that co-operatives are ideally suited to the arctic because of the similarity of co-op principles and traditional Inuit ideals. While it is true that Inuit co-operatives are primarily concerned with the economic welfare of the community, in many other respects they differ fundamentally from the traditional way of life. These differences, some of which have already been mentioned, are:

1. Co-operatives operate according to the principle of exchange. Goods are usually given in return for their perceived value in terms of other, usually monetary, equivalents. The motto "Honest pay for honest work" reflects this ideal which is indeed common to all businesses.

Traditional Inuit society, however, was based on the ideal of generalized reciprocity (as defined by Sahlins 1972: 208). The necessities of life were distributed on the basis of need, not ability to repay. Indeed, imbalances in the flow of goods were a permanent economic fact of life; those incapable of reciprocating were not pressed to do so. (The Grise Fiord co-op, in fact, reflects this ideal through the allowance of deferred payment on goods and, more rarely, partial cancellation of debts). The president of the Grise Fiord co-op board of directors, in reminiscing, once mentioned that in the early days of the settlement Inuit would often come in and take, on the basis of individual need, goods for which they could not pay. That the Inuit of Grise Fiord have, however, accepted the principle of exchange was demonstrated by the comment of the president "We thought that (distribution of co-op goods on the basis of need) was O.K., now we know it isn't".

2. A co-operative involves elements of bureaucracy which were absent in traditional Inuit life. Individuals are delegated power to deny others goods which could be essential to their wellbeing if the latter have nothing in exchange. This situation stands in sharp contrast to the Inuit ideal of egalitarianism. The board of directors has had a certain amount of success in making and enforcing decisions as it is composed of individuals who are respected for personal qualities which have traditionally been held in esteem. The traditional attitude of Inuit toward Kadluna have also allowed these latter to be partially effective in enforcing decisions made by the board.

3. Co-operatives stress those characteristics of an individual which are largely universal and achieved in nature. Inuit society has, however, traditionally given more importance to ascribed and particularistic characteristics

of the individual.

Co-operatives are thus to a large extent still somewhat alien to the Canadian arctic. It is, however, valid to suggest that co-ops are, in their present stage of development, better suited to Inuit society than alternative forms of private enterprise. Co-operatives, ideally, (and the further a co-operative is from the ideal, the further it is from being a true co-operative) are owned and controlled by the people they serve; as such they cannot be exploitative. Because of the economic naivety of the majority of Inuit, the minimization of opportunities for undue exploitation is far more crucial than would be the case in southern Canada. Excess co-operative profits, given back to members, (and in Grise Fiord 80% of the customers are members), are thus retained in the community. Profits from other arctic businesses, on the contrary, are usually transferred to the south. Co-operatives, moreover, are means of retaining and investing considerable amounts of Inuit capital which would otherwise be dissipated. Most of the Inuit of Grise Fiord have not been taught the importance of investment for the future. Due to the large size of most families and the attraction of material goods, income is usually spent as quickly as it is received. It is no exaggeration to say that the co-op in Grise Fiord is the only economic enterprise of any significance owned by the Inuit of the settlement; as such it is a symbol of security and hope for the future. This would be equally true for many co-operatives in the Canadian arctic.

The cultural significance of co-operatives in the Canadian arctic is not, of course, confined to the economic sphere. In two other respects co-ops are of major importance: they reflect overall conditions of, and serve as laboratories for social change within, the communities of which they are a part. Both of these points merit detailed discussion.

A co-op can accurately reflect conditions within the community only if the board of directors has effective control over the manager, and is also responsible to the general membership. In cases where outside agencies have assumed effective control over a co-operative it will operate in relative independence of its members. This is, of course, the very reason why government agencies have in the past been tempted to intervene in the affairs of poorly run Inuit co-ops. Once the link with its members is modified or broken a co-op would be free to follow economically viable, if unpopular policies. On the other hand, a co-op which is effectively integrated into the community will experience the same problems, or lack thereof, of the latter. Unemployment and marginal living conditions may result in low sales figures and overdrawn accounts at the local co-op. The breakdown of the family and resultant social instability may be manifested in a general community feeling of apathy toward their co-op, and may allow individuals to use the co-op for their own personal ends. An increasing level of economic sophistication and individual initiative may also tempt the members of producer co-ops in the arctic to 'go it alone' by attempting to individually market their personal wares, and thus bypass the co-operative alternative. An Inuit co-op probably functions most effectively in a community of relative economic wellbeing where traditional Inuit values of kin and community have not yet disappeared. The settlement of Grise Fiord is a good example of this type.

The cultural effect of co-operatives upon the Inuit people is a more complex subject to deal with. The Canadian arctic has, in the past decade, experienced a period of cultural transition unparalleled in history. The Inuit people of the Northwest Territories are becoming actively involved in territorial politics and in some cases partly control government services at the local level. With the advent of communication by satellite and effective air transportation, previously isolated settlements have become more closely connected to, if not part of, the mainstream of Canadian society. The discovery of oil and other valuable natural resources, in conjunction with cheaper and more effective means of transportation and communication, will surely result in a period of continually increasing economic and demographic expansion. The writer believes that co-operatives can help the Inuit people in adjusting to the new realities of life in the arctic. First, however, we should try to determine those social factors within the settlements which help co-operatives to function successfully.

In analyzing cultural change during the mid-1950s in the Inuit settlement of Kaktovik, Alaska, Norman Chance made the following observations (1959: 1028-1043):

1. The shift from hunting and trapping to full-time work resulted in restricted mobility for the Inuit people and a decrease in the manufacture of traditional clothing and tools. The availability to all Inuit of highly paid work at a neighbouring Distant Early Warning Site, however, assured that a successful economic adaptation was made by all to changes in food, housing, medical care, communications and education. The people of Kaktovik changed together as a unit; they were, moreover, motivated to change.

2. Traditional leaders, accepted by the neighbouring DEW Site Kadluna, continued to hold positions of importance within the settlement. Family structure remained stable and traditional patterns of sharing and co-operation were maintained.
3. Kadluna were admitted to the settlement, but only on a selective basis. The settlement council banned drinking within the settlement.

Saul Arbess has suggested two additional significant factors which contributed to successful cultural change in arctic Quebec (1966:3):

4. "The organizational elements required to respond to new conditions already exist in the traditional social system so that an internal reworking of that system permits a viable response".
5. "The pace of change is controlled by the native population, which is motivated to change".

Frank Vallee, in his analysis of the Inuit of the central Keewatin area of the Northwest Territories, stated that the following factors favoured a successful adaptation to changing conditions (1967:213):

6. "The Eskimos command resources and facilities which are regarded as valuable and scarce".
7. "There is no formal segregation between the Eskimo and Kadluna".
8. "No one Kadluna institution is overwhelmingly dominant in the community".

Finally, Asen Balikci, in discussing the carving co-operative in Povungnituk, arctic Quebec (1959:132), noted that its success was due to:

9. the existence of a specific project in mind which is of central importance to the Inuit.
10. the perception by the Inuit of a crisis after which change was willing to be accepted.
11. the catalytic activity of a Kadluna organizer which was necessary to create and control supra-group structures within the community which were previously unknown.

In comparing the above eleven factors to the evolution and present stage of the development of the settlement of Grise Fiord, and its co-op, we find that:

- (a) the R.C.M.P. started and initially controlled the activity of the co-op.
- (b) the Inuit had been previously exposed to trading stores in Craig Harbour, Pond Inlet and Port Harrison. Moreover, traditional leaders were elected to the board of directors and family structure remained stable.
- (c) relatively few Kadluna have ever lived in the settlement at any one time. Drinking, although not banned, was, and is, infrequent.

These facts conform to conditions 2, 3 and 11 above. On the other hand, however:

- (d) the R.C.M.P. were, until ten years ago, the dominant Kadluna institution in Grise Fiord; they controlled virtually all aspects of settlement activity.
- (e) there was, and is, a very evident de facto, if not formal, segregation between the Inuit and Kadluna.
- (f) until quite recently, work was available to only a few and wages were quite low.

(g) the Inuit of Grise Fiord have never had resources or facilities which were regarded as valuable or scarce, with the exception of a limited number of furs and handicrafts produced each year.

These factors are contrary to conditions 8, 7, 1 and 6 respectively.

There is not enough data on the settlement of Grise Fiord to ascertain whether conditions 4, 5, 9 and 10 were met when the co-op first started business. It is also possible that some of the above conditions, although found in settlements in which cultural changes were being successfully accomplished, were not necessarily vital to the process. It would likewise be difficult to determine the relative importance of those conditions which in fact were relevant. I have already stated in Chapter Five those factors which I consider to be crucial to the success of the Grise Fiord co-op. The absence or minimal use of alcohol and drugs, which are at least potentially harmful to the social fabric of the community, the presence of a limited number of Kadluna who presented to the Inuit a relatively accurate sample of the norms and standards prevalent in southern Canadian society, a resulting fairly stable family structure within the settlement and the participation of virtually all Inuit in the affairs of their co-operative - all these conditions permitted the co-op to be successful, both socially and financially. The access of the Inuit of Resolute Bay to the air base and their resulting exposure to alcohol, drugs and a large, unstable population of transient Kadluna helped, in my opinion, to bring about a disintegrating social structure within the settlement in which the co-op foundered.

Thus, the settlement of Grise Fiord provided an atmosphere in which the co-op successfully combined elements and attitudes of both cultures in an organic whole. This synthesis

was, moreover, because of the relative isolation of the settlement, protected and nurtured during its early periods of development. The absence of competition in Grise Fiord, as in many other settlements, has allowed a certain amount of inefficiency in daily operations which in southern Canada would have forced the co-operative into bankruptcy.

In those settlements where this synthesis has not been achieved, the amount of confusion and waste of resources, both material and human, can become so great that outside forces are brought upon the co-op to achieve temporary, albeit swift, solutions. An Inuit co-operative may require patience, understanding and substantial economic sacrifice on behalf of its members and directing officers in order to initially become successful. It can in turn, however, give the Inuit people an opportunity to understand and assimilate those Kadluna cultural values which will become increasingly important in the arctic. If co-operatives are alienated from their members, however, their educational value will be greatly diminished. Alienation will in large part be the result of outside elements, whether individual or collective. In short, Inuit co-operatives must if necessary be assisted, but not controlled, by non-Inuit. Only then will they have the chance to fulfill their potential.

Postscript - August 1977

The status quo changes quickly in the arctic, and in the past year there have been several developments which are relevant to this paper. I will mention them briefly.

In late 1976 the Grise Fiord co-operative experienced several months of poor management. The members of the co-op's board of directors were upset by developments at that time, and tried without success to communicate their concern to the manager at board meetings. It was subsequently discovered that fraud had been involved and the manager, a Kadluna, was charged, found guilty and ordered to reimburse the co-op in full. It was the co-op's board of directors, moreover, who had requested the Crown (in this case the R.C.M.P. officer in Grise Fiord) to lay charges.

At least three settlements in the eastern arctic - Frobisher Bay, Pangnirtung and Hall Beach - have prohibited or restricted the use or possession of alcohol during the past year. In all cases it has been the Inuit people who, through their local councils, have requested that these measures be taken. Other settlements are planning similar courses of action.

Since 1975 the Government of the Northwest Territories has become noticeably less active in the affairs of arctic co-operatives, and many of its previous responsibilities are now being handled by the Canadian Arctic Co-operative Federation Ltd. The Federation, which has its headquarters in Yellowknife, the territorial capital, is now deeply involved in ordering supplies and recruiting managers for most arctic co-ops. The Federation also offers centralized accounting services, and is in the process of placing "retail advisors" in strategic points throughout the Northwest Territories who will help co-ops at the local level.

The co-operative movement is, in short, becoming organized and united on a territorial level.

A trend which could, however, become detrimental to the co-op movement in the arctic, involves the gradual centralization of power within the Federation. Many Inuit co-ops now rely upon the Federation and turn to it in time of need or regularly for management recruitment and the financing of their annual resupply, and they often owe the Federation substantial amounts of money. The Federation, in turn, is being financed largely by the Government of the Northwest Territories and the Government of Canada. Five of the eleven members of the Federation's board of directors are now non-native. It would therefore be debatable to say that the Federation is, in fact, completely controlled by its member co-operatives.

At this point in time it is difficult to foresee the future of Inuit co-ops in the Canadian Northwest Territories. Two alternatives are, however, fairly obvious. Inuit co-operatives can continue to operate independently of each other and attempt to cope with the attendant hazards of poor management, inefficient merchandising and inadequate records. Alternatively they can choose to unite and delegate their responsibilities, along with much of their freedom of action, to a common federated agency. In either case they will have to be given both moral and financial help for some time to come.

NOTES

- 1 This principle was formulated mainly to avoid financial speculation by outsiders.
- 2 Profits earned by co-operatives are usually divided into two categories - distributed surplus and undistributed surplus. In the case of consumer co-operatives, distributed surplus is considered to be a reduction in the cost of living and is thus not taxed.
- 3 Brody tends, in my opinion, to over-exaggerate - indeed, almost caricature - problems of Kadluna adjustment in Inuit settlements. Nonetheless, many of his observations are substantially accurate. See Brody 1975:33-102.
- 4 Brody attributes this male-female rivalry, found in many settlements, to the political and economic weakening of the male's role in the family and society. See Brody 1975:195-198.
- 5 In my discussion of co-operatives I will use the concepts of 'responsibility' and 'power' as defined by M.J.Levy Jr. Responsibility is defined as "the accountability of an individual(s) to other individual(s) for his own acts and/or the acts of others"(1966:211). Power is defined as "the ability to exercise authority and control over the actions of others"(1966:211).
- 6 Gross sales figures include retail sales to members and non-members, and the sale of furs and handicrafts to southern wholesalers.
- 7 Gross sales minus cost of goods sold equals the gross margin.
- 8 Contract revenue consists mainly of municipal contracts - sewage disposal, water delivery, and stevedoring services during sealift.
- 9 Surplus equals net savings before taxes and adjustments.
- 10 The sharp decrease in members' equity in 1972 was the result of several people moving back to Port Harrison . Although they returned to Grise Fiord after a few months, they did not redeposit their share equity in the co-op.
- 11 One settlement manager was allowed to bring in five plane-loads of his personal effects to Grise Fiord - at over two thousand dollars per load from Yellowknife. Six months later he was transferred and it was all flown out again.
- 12 All customers have the power to demand that employees assist them in their purchases.

13 Although board members do not have direct control over employees in most large corporations, they have this privilege in Grise Fiord. Board members know most employees better, and are often more able to judge their aptness for employment, than the manager. Moreover, because the board members are usually related to the employees, the former have a great deal of control over the latter. This same principle applies to contract workers and the assistant manager.

14 To the extent the Inuit rely on the co-op manager for expertise and information, the manager can have a strong influence on the board.

15 James Ford once described the Alaskan Inuit of 900 years ago as being 'gadget burdened', so intense was their search for better tools and techniques (Ford 1959).

16 Frank Vallee has briefly referred to this problem when he mentions the "legitimizing of a market or contractual kind of relationship among the people who were interlocked in exclusively kinship or 'status' kinds of relationships" (1964:223).

17 Many examples of this kind of problem come to mind. One manager, who adhered rigorously to credit regulations and refused to open the store 'after hours' was physically assaulted and left Grise Fiord shortly thereafter. Another manager allowed a member of the board of directors to 'rent' the co-op skidoo to go hunting. The skidoo broke down miles from the settlement and was finally retrieved, in pieces, the following spring.

18 This alternative now seems a real possibility. In a 12 month period in 1976-77, five families moved from Grise Fiord, and others were preparing to follow.

19 The government of the Northwest Territories must report to the Commissioner of the N.W.T., who in turn is responsible to the Minister of Indian Affairs and Northern Development of the Government of Canada.

20 Compare this to Bissett's 1967 report: "The community attitude toward (the co-op) is proprietary and functional without extensive supervision or administration by non-Eskimos" (1967:76).

21 To the extent that they are partially dependent upon the good will of government agencies, most Inuit co-ops fall somewhere between these two extremes.

22 By early 1977, the debtors' list method of enforcing credit regulations had, unfortunately, become increasingly ineffective. The inclusion of more and more people on the list had largely nullified community pressures to conform.

23 In 1973, for example, polar bear skins were selling for an average of \$3,000.00 apiece. In 1974 the Japanese stopped buying and the bottom fell out of the market; prices were reduced to approximately \$600.00 per skin.

24 In spite of considerable community pressure, some members of the Grise Fiord co-op continue to sell products to, and buy goods from, individuals and agencies not associated with the co-op.

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