

few industrial skills and little formal education. These factors create an uneven distribution of economic opportunities in the North.

Until the 1800s and early 1900s, the economy was based on traditional activities. This subsistence economy shifted dramatically with the advent of whaling activities in the eastern Arctic and the expansion of the fur trade into the North, making cash and trade goods important commodities for the Indigenous population. Today's economy can be characterized as a mix of wildlife harvesting, wage employment, and social assistance payments.

Direct employment in government and in government support services accounts for the largest percentage of wage income, followed by primary resource extraction industries such as mining for gold, silver, lead, zinc, and diamonds; oil and gas development; and, to a much lesser extent, fishing and forestry. Worldwide there is a growing market for northern products, including meat, fish, arts and crafts, and Arctic technologies. Tourism is a rapidly growing industry with as yet unknown potential. For the most part, local economic development projects have been heavily subsidized by the federal and territorial governments.

With recent land claims agreements, Indigenous communities now have increasing access to investment capital — and they are using it. There are many new and interesting economic programs under way. Airlines, offshore and high seas fisheries, cultural tourism, transportation companies, mining and hydrocarbon development, and joint ventures with other development interests are helping to create a new economic momentum. For example, Canada's second largest airline company, First Air, is Inuit-owned and -operated.

## The Political Setting: Adapting to New Realities

Most of the Canadian Arctic is administered by and through three territorial governments. Over the past 30 years, the political evolution of these northern territories has led to the establishment of representative and responsible government in the Yukon and the Northwest Territories. More recently, on April 1, 1999, a new, distinct territory called Nunavut was established in the eastern Arctic. The creation of Nunavut will bring government closer to Arctic residents of this region, most of whom are Inuit. The Government of Canada is now exploring the transfer of control and management of lands and resources to northern territorial governments.

The Constitution Act, 1982 recognized and affirmed the Aboriginal and treaty rights of the Aboriginal peoples of Canada. Rights that

*"Within all of the communities, particularly the larger regional centers, economic activity is becoming much more diversified. Yet an emphasis on new economic opportunities has not diminished the deeply entrenched desire of Inuit to maintain a hunting way of life. While a casual observer of community life may not encounter traditional activities, close ties to the land remain fundamental for all Inuit."*

—Inuit Tapirisat of Canada,

The Inuit of Canada