

## CO-OP SAVES ARCTIC COMMUNITY

Port Burwell in the Northwest Territories, a small Eskimo settlement jutting into the cold waters of Ungava Bay, has shown what can be done when people, resources and an economic development plan unite to put a dying community on its feet.

Port Burwell is so far back on its feet that other Eskimo families have begun to think about moving there. It's taken four years of hard work but the results of development may make this well-protected harbour the headquarters for deep-sea fishing not only for its own people but for Eskimos from Baffin Island. Port Burwell is in the Northwest Territories about 85 miles south of Frobisher Bay, in a location important for the future economic development of the Eastern Arctic.

Things haven't always looked so good. Before 1959, the eastern Ungava Bay area from Fort Chimo to Port Burwell and George River was a region of acute economic distress. Heavy social-assistance payments had to be made. Nearly every Eskimo family had a member on relief.

At Port Burwell the few Eskimo families that had not drifted away had a yearly income of about \$200. The population, once close to 200, had fallen to 23.

### SEA RESOURCES UNTAPPED

But though life was so hard on land, the surrounding waters teemed with commercially unexplored resources. Arctic char were abundant; so were cod and probably halibut. It is doubtful, however, if the Eskimos had ever heard a good reason to try for a market farther away from home.

But they were the sort of people who keep in touch with their neighbours. So, when co-operative development officers of the Department of Northern Affairs went north in 1958 to talk over with the Eskimos the idea of setting up the first char-fishing co-operatives, the Port Burwell folk were interested. Few in numbers though they were, they liked what they heard and decided to start fishing as a group and work towards co-operative status.

No group of comparable size has done better. Their initial assets were a \$6,000 loan from the Eskimo Loan Fund, technical aid from a field officer who was also a commercial fisherman, and a bootstrap spirit. Today, 12 families live at Port Burwell and the population is rising.

### PORT BURWELL ACHIEVEMENT

Some of the things the co-operative has been able to do since it started from scratch four years ago: rent government fishing and freezing equipment; provide operating capital for the char fishery; build and stock a co-operative retail store; double the size of its store building, increase the value of its stock four times since 1959, and finance a number of smaller projects; bit by bit, repay the \$6,000 loan, which will soon be retired; build up assets in buildings, equipment and stock valued at around \$25,000.

It is estimated that family income in Port Burwell, now up to \$3,800, could reach \$5,000 this year, based

on resource harvesting and handicraft programmes. Food processing — an experimental programme of canning fish, seal and whale meat for Eskimo consumers carried out at Whale Cove this summer and being consumer-tested this winter — is another type of project still to be developed. A factor contributing to the prosperity of Eskimo co-operatives in general are the good prices being obtained for seal skins and arctic char. Demand in, and outside, Canada for co-operative products — char, seal skins and fine crafts — is having a gradual but important effect on the Eskimo economy.

None of the 18 Arctic co-operatives — whose combined incomes may reach \$1 million this year — is tied to a single resource. Each has its speciality but does not rely wholly on one product.

Port Burwell's problem now is one that four years ago would have seemed extremely unlikely. The area economy has been developed to the point at which its renewable resources can support 150 more people. But this problem is relatively minor compared to those the community has already solved. For Port Burwell has become known among the Eskimos as a good place to live.

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## THE STORY OF CONFEDERATION —

### A NEW CHAPTER?

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of equalization of revenues in the shared tax fields, it is possible to vary the number and extent of federal-provincial joint programmes according to circumstances and the wishes of the provinces. Appropriate adjustments in taxation can be made, with equalization, on a basis that does not penalize the fiscally poor provinces. In other words, this concept makes a more co-operative federalism possible.

One can readily conceive of a new arrangement involving transfer to the provincial governments of full responsibility for some of the present shared-cost programmes. Such a transfer could be carried out on a scale that would involve hundreds of millions of dollars. Naturally, the provinces could not be expected to assume full responsibility on such a scale unless they were to be compensated. One way to do this would be in the field of equalization payments and by increases in the abatements which the Federal Government makes in its tax laws to take account of provincial taxes.

This approach to shared-cost programmes would involve changes in the present tax-sharing arrangements by recognizing in our law higher rates of provincial direct taxes. The amount of the change, together with equalization, would of course have to be related to the amounts involved in the changes of responsibility in the expenditure programmes.

### FISCAL ARRANGEMENTS

For 15 years the provinces have been expressing their desire to be left a larger share of the shared fields of direct taxation. This has been pressed upon successive Federal Governments by a series of spokesmen for the provinces. This pressure is

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