

NATIVE EMPLOYMENT IN NORTHERN CANADIAN RESOURCE TOWNS:
THE CASE OF THE NASKAPI IN SCHEFFERVILLE

by

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ABSTRACT

This thesis examines the employment experience of the Naskapi Indians in the twenty-five years following their relocation to Schefferville, Quebec, in 1956.

To examine the underlying causes of the concentration of unemployment and underemployment among the native segment of the labor force, the thesis develops a "conjunctural approach" which views the employment situation of the Naskapi as a historical and geographical conjuncture of two dynamics: multinational resource capital and the native subsistence ecology, which interact at the point of the labor process.

Within this context, the thesis focuses on two principal factors in the Naskapis' marginal participation in wage labor. The first is the conditions of profitability which necessitate capital mobility and the consequent instability of employment in northern resource industries. The second is the hierarchical and segmented nature of the labor process, which shaped the marginal position of the Naskapi within the labor force.

RÉSUMÉ

Cette thèse a pour objet l'étude de la situation de l'emploi chez les Indiens Maskapi depuis leur relocalisation en 1956 à Schefferville, au Québec.

Afin d'examiner les causes qui rendent compte de taux de chômage plus élevés et même du sous-emploi parmi le segment amérindien de la force de travail à Schefferville, cette thèse suggère une approche qui prend en considération une conjoncture historique et géographique bien particulière. La situation de l'emploi des Maskapi est influencée par deux dynamiques, soit l'activité des multinationales dans l'exploitation des richesses naturelles ainsi que le mode de vie propre aux Amérindiens, qui toutes deux interfèrent avec le processus de travail.

Dans ce contexte, cette thèse veut mettre en évidence deux facteurs principaux de marginalisation de la main-d'oeuvre amérindienne. Il y a d'abord les conditions de rentabilité qui nécessitent la mobilité du capital et qui entraînent alors l'instabilité du niveau de l'emploi dans le domaine de l'exploitation des ressources naturelles. Le second est la nature à la fois hiérarchisée et segmentée du processus de travail. Ces deux facteurs peuvent rendre compte de la faible participation des Maskapi à la force de travail locale.

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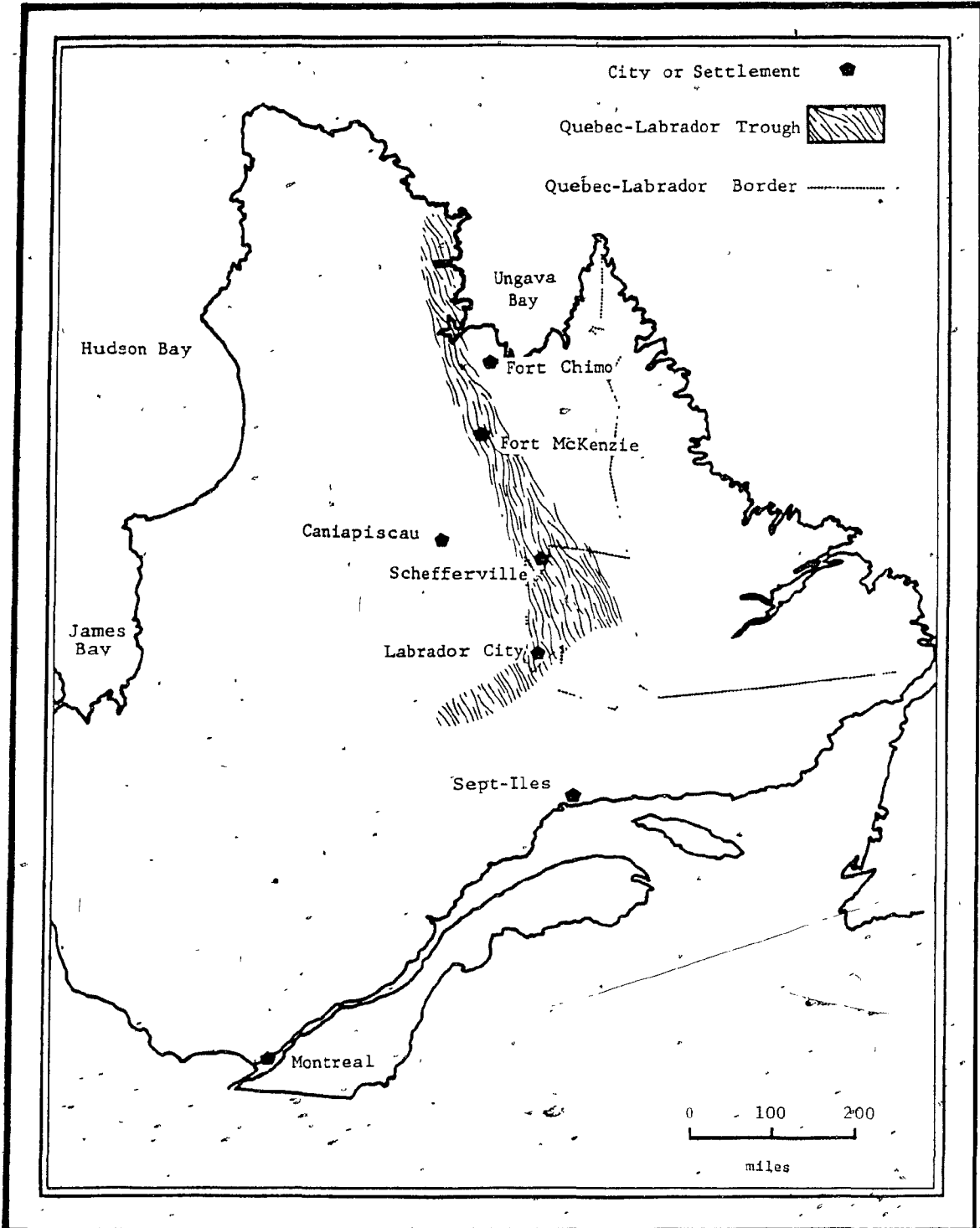
Chapter I

Introduction

In 1956, the Naskapi Indians of the Quebec-Labrador peninsula (see map) relocated from their hunting, fishing and trapping grounds, around Fort McKenzie and Fort Chimo, to the iron-ore mining town of Schefferville. They relocated, at the urging of the Canadian government, on the basis of promised access to health care, education, housing, and employment opportunities with the Iron Ore Company of Canada (IOCC). The Naskapi have lived in Schefferville since then and, after initial delays, have had access to the services and programs promised by the government. However, with few exceptions, their participation in wage employment, particularly at IOCC, was not successful: the Naskapi were restricted to a minimal number of jobs in the lowest positions. And, in November, 1982, IOCC announced the complete shutdown of its Schefferville operations, eliminating even this source of employment for the Naskapi.

The problems surrounding the Naskapis' involvement in wage employment are illustrative of a larger picture of native employment problems across Canada, including extremely high rates of unemployment and underemployment. Examinations of native wage labor have typically focused on either the industrial economy or the native economy. Reasons given for the lack of incorporation of native people into a wage labor economy have followed a path of linear causality in which native people are shown to lack sufficient qualifications and exhibit adjustment

The Quebec-Labrador Peninsula



problems in wage labor situations. However, in spite of substantial expenditures on education, skills improvement and job training programs, unemployment and underemployment rates for native people have remained unacceptably high.

While the literature on this subject has gone a long way toward describing native employment problems, a theoretical framework which recognizes the dynamic interaction between the industrial economy and native economy has yet to emerge, with a few exceptions to be discussed shortly. This thesis attempts to develop such an approach to problems of native employment. The employment situation of the Naskapi is viewed as a historical and geographical conjuncture of two dynamics: the dynamic of multinational resource capital and the dynamic of the subsistence ecology of the Naskapi, which interact at the point of the labor process. Within the context of this "economic conjuncture," the necessity for the expansion of capital northward and the only partial incorporation of native labor within this process, is explored.

Insights offered by the literature on the capitalist labor process will allow us to examine the problem from two angles: the conditions of profitability which allow, in fact necessitate, the movement of capital around the world, and the local dynamic of labor at IOCC and the place of the Naskapi within that dynamic. This thesis attempts to develop such a "conjunctural" approach and may be useful toward the future development of a theoretical framework.

Specifically, the employment histories of Naskapi wage laborers are analyzed, and traditional explanations for the employment problems of native people are shown to be inadequate. An alternative analysis is offered which examines the inherent instability of employment in

northern resource industries and attempts to explain the inability of these industries to absorb the native segment of the labor force. This thesis explores the place of the Naskapi within a labor force which is required to adjust, adapt, and reproduce itself under difficult and unstable conditions which include rigid and segmented job structures, seasonal lay-offs, cyclical boom and bust periods and an ultimate dependence on external markets.

A useful approach towards an understanding of these conditions can be found in the recent geographic literature, most notably by Massey and Meegan,¹ and Storper and Walker,² and is employed throughout this thesis. Briefly, these authors view the labor process as closely linked to capital location. As the forces of production and circulation develop, locational differences in the prices, quantity and quality of products tend to diminish. Therefore, competitive advantage in location can be gained only by exploiting differences in land, resources and labor. These authors see rationalization, or the reduction in the productive base of an industry, like IOCC, as the necessary by-product of changing relative levels of profitability. And, the structure of the conglomerate affords the necessary flexibility to switch investment between sectors of production in response to relative rates of return. Whether or not jobs are gained at another location, employment is lost at an existing point of production, and variations in the different fortunes of capital and labor can affect the potential for worker resistance in different locations. These points are brought out further in later discussions of the nature of resource capital in the north, and comprise an underlying theme for this thesis.

Literature

The employment situation of the Naskapi is representative of the experiences of many native groups involved in wage employment for resource industries in the North. The problems surrounding the penetration of industrial resource capital into the north and the consequent introduction of native northerners to wage employment have been discussed in the geographic literature, as well as in the broader social science literature. Geographic interest in these problems arises out of a concern within the field of regional development, in this case, the development of the North and its inhabitants. There is a general consensus among writers on the experiences of native groups with resource extraction firms: these groups suffer the highest rates of unemployment and underemployment, their employment opportunities are restricted to the lowest level jobs, and they are socially and spatially segregated in northern resource towns. Work in this field has tended to focus on four areas: the positions traditionally held by native workers in the labor force, the situation of native people in company towns, the effects of wage employment on native societies and a broader examination of the nature of northern development. The literature in each of these areas is discussed in the following four sections.

The Position of Native Workers in the Labor Force

The subordinate position which native people have held in the labor market in northern resource industries has been widely discussed in studies on northern development. In his work on the relocation of Inuit for northern industrial employment, Stevenson (1968)³ details the experiences of Inuit workers at several different projects. At Great Slave Lake (N.W.T.), at the Lynn Lake and Thompson mines

(Manitoba), and in Yellowknife (N.W.T.), Stevenson describes job hierarchies in which Inuit and Indian workers occupy the lowest level, unskilled jobs. The author describes the social isolation and adjustment problems which Inuit workers experience and concludes by describing three possible alternatives for Inuit communities: the retention of their traditional subsistence economy; further involvement in northern industrial development; and relocation to southern industrial communities. Stevenson argues for the third, but his limited analysis does not allow him to see why neither of the first two alternatives are possible. His alternatives point to a division between "native life" and "industrial life" in which Inuit must choose between the two. It will become clear in this thesis that a complete separation between the traditional native way of life and industrial society is no longer possible, and that they have become inextricably linked. The choice for the Inuit in Stevenson's study is more accurately one between a decision to relocate or a decision to remain in the north and continue to experience the contradiction between the "industrial" and "native" worlds.

In Hayter's discussion (1979)⁴ of the problems of labor surpluses and labor shortages in frontier economies, he points to the high unemployment rates among Indian groups as a major source of labor surplus. The author points out that while resource operations in isolated areas are forced to extend their labor sheds (the geographic regions from which a firm draws its workforce) to assure an adequate supply of workers, local supplies of native labor are not utilized and remain unintegrated into the labor force. In contrast to Stevenson, Hayter advocates local hiring and concludes that if this is to be

encouraged without jeopardizing employment stability or productivity, vocational training programs need to be expanded along with sponsored work experience opportunities. These would introduce native workers to employment conditions in resource industries and provide a way for managers to assess potential employment compatibility. While Hayter contends that native hiring inherently jeopardizes productivity, he does not provide an understanding of why this might be so, or of how to go beyond the provision of programs which have not significantly reduced native unemployment rates on a sustained basis.

Aglamek (1970)⁵ takes Hayter's point one step further by approaching the lack of integration of native people into wage employment from the framework of a dual economy. The North's participation in major resource extraction projects contributes to the Canadian economy without significantly improving local living standards, and Aglamek cites the virtual absence of local native involvement in wage employment at Pine Point and Yellowknife as examples. Human resource development programs for accessible, underemployed segments of the native labor force, coupled with government incentives to industries for native hiring, may lead to increased wage opportunities for natives in some cases. However, at present, most native groups form large pools of unemployed and underemployed poor. The author does not address the inherently unstable nature of northern resource industries, which is the ultimate limiting factor to any human resource development program for northern residents, as in the case of the Naskapi. By not approaching the problem of native employment with an understanding of the conditions of profitability which necessitate the movement of capital around the world, Aglamek misses the dynamic of capital which links all resource

communities in the north together.

Similarly, the Canadian Employment and Immigration Commission (1979) also warns of the "grave consequences" of high unemployment rates among native groups: "...everywhere in Canada the native population occupies the less-favorable-ethnic group position in the labor market."⁵ In spite of substantial expenditures on programs to increase Native employment, unemployment rates remain unacceptably high for several reasons. Firstly, these programs put too much faith in the potential of outside intervention for a community and not enough in the potentials and needs of local native residents. Secondly, the major emphasis has been on the creation of jobs and not on the quality of these jobs. Native workers are over-represented at the bottom rungs of job ladders, pointing to the need for career advancement opportunities for this segment of the workforce. The Commission describes barriers to native employment which include bias on the part of employers, inexperience and lack of education and language skills on the part of native workers and the generally poor health of native people. The authors of the Commission's study point to the need for coordinated federal intervention into the labor market, and emphasize that new, large, resource operations need to be exploited for the number of permanent jobs which they can offer to native residents. However, the critical question of the permanence of jobs in resource extraction industries, particularly in the north, is never raised.

Lotz (1971)⁷, Ervin (1969)⁸, and Riffel (1975)⁹ also comment on the restriction of locally based native people to low-paying, temporary, heavy-labor jobs while transient workers from southern communities occupy higher positions with better pay.

While the above authors agree that native people occupy a subordinate position in the labor market, the mechanism underlying the concentration of high unemployment rates and underemployment among native workers is poorly understood. Language and training skills, and education levels have greatly improved since the early 1970s yet native groups continue to suffer high unemployment rates and to work in the lowest level jobs. What is needed is an analysis which goes beyond bias and discrimination on one hand, and lack of qualifications on the other, and explores the nature of the labor process within northern resource industries to understand why it has been unable to absorb native workers.

Native Workers in Northern Resource Towns

Another area of research has been the cultural, social, and even spatial isolation which native people have experienced in resource towns. Ervin (1969)¹⁰ describes the settlement pattern for Inuvik, which, the author claims, has strongly affected the town's social organization. The serviced end of town is characterized by modern furnished apartments and houses at low rents. The buildings are attached to the utilidor system, which encloses running water and sewage systems above ground. Most facilities, including the churches, theaters, hospital, and stores are located at this end of town, since they are attached to the utilidor system. Priority for housing is given to transient white civil servants and construction workers, and the navy. The unserviced section of town is occupied by Inuit, Indians and Metis. The small prefabricated bungalows, tents, and log cabins are overcrowded and are not connected to the utilidor system, so that sewage must be disposed of at scattered stations where water is also collected.

The author also points out that while the native and white workers interact at the worksite, there is minimal social intermingling in the town.

Deprez's (1973)¹¹ study on the Pine Point Mine cites the lack of an adequate housing program as a major factor in the absence of a permanent core of workers in the native labor force. Capital expenditures for housing were considered by the company, Cominco, to be justified only if they resulted in lowered labor costs by decreasing the turnover of skilled employees. All requests for trailers, apartments and houses were reviewed by the Housing Committee and the skill level and rating of each employee were important factors in the decision-making process in which preference for housing was given to the skilled workers. Cominco's housing policy led to a sharp division between higher quality housing for the skilled, white workers, and housing of an inferior design for the unskilled, native segment of the work force, leading to sharp class distinctions in the town. While such distinctions occur on a global scale, they appear in perhaps their clearest form in single resource towns.

The non-integration of native people who are forced to live on the fringes of resource settlements is also described by Rea (1976)¹², in his work on the political economy of northern development; Lotz (1971)¹³, in his study focusing on native squatters; and Riffel (1975)¹⁴, in his work on the quality of life in resource towns. As with previous authors, inadequate housing, overcrowding and insufficient sanitary facilities are cited as characterizing the areas in resource towns to which native people are restricted, and these studies closely fit the situation of the Naskapi in the town of Schefferville.

The Effects of Wage Employment on Native Societies

The subordinate and unstable position of native workers in the wage labor market, coupled with their social, cultural and spatial isolation in northern towns have subjected native societies to severe stress, and the manifestations of this stress have been widely discussed. In his work on the health problems of native northerners, Wenzel (1978)¹⁵ shows that, until the mid-1960s, infant mortality, tuberculosis and other diseases were essential priorities in the health care of native communities. However, with rapid environmental, social and economic changes, a new set of problems has arisen which includes child and spouse abuse, alcoholism and emotional stress.

Klausner and Foulks¹⁶ studied the social change which occurred among a group of Eskimos on the North Slope of Alaska as a result of local energy development. They concentrated on the problem of alcoholism, which affected 72% of the population, with special attention to the effects of alcohol and to measures that had been taken to control its spread:

Ervin (1969)¹⁷ cites an increase in illegitimate births, venereal disease, alcoholism, marital problems and violence in northern resource towns, and he points to confusion and insecurity about town life and economic frustration as major contributing factors. These problems have also been well documented and widely discussed by Brody (1975, 1977)¹⁸, Berger (1977)¹⁹, Chenard (1979)²⁰, Sanders (1973)²¹, Watkins (1976/1977)²², and Usher (1974, 1982)²³.

While previous studies point to serious problems of stress which accompany the introduction of native people to industrial wage employment, there are examples in the literature of native employment

experiences in which the above mentioned symptoms of cultural disintegration and social disorganization appear to be largely absent. Williamson (1979)²⁴ cites the commuter labor operations at Rankin Inlet (N.W.T.) as an example of a successful native employment experience and attributes this success to two factors. First, Inuit workers who left their jobs temporarily to return to their traditional settlements and hunting activities were not penalized, allowing for a gradual adaptation to wage employment. Second, the company showed a strong commitment to hire Inuit workers which was reflected in the high proportion of Inuit on the payroll (73%).

Beveridge (1979)²⁵ also cites these factors of intermittent participation, and training and advancement policies as being critical in the development of a stable, highly motivated core of native workers at Rabbit Lake. In addition, Gulf's policy of prior consultation with the families of prospective workers was also important.

In Hobart's (1979)²⁶ work on commuter labor, variables of the number of hours worked, prior contact with non-natives, the kind of work performed and alternative employment opportunities in native communities are cited as affecting the adaptation of native workers to different employment situations. In his example of Panarctic Oil's drilling operations in the High Arctic Islands, and their successful incorporation of Inuit into the workforce, there was no increase in problems of liquor consumption, violent woundings, court cases, or respiratory infections in pre-schoolers in the communities of the native workers (Pond Inlet and Arctic Bay).

It is important to note, however, that the work of Brody directly contradicts this interpretation of events at Pond Inlet.²⁷

According to Brody, the employment of Inuit from Pond Inlet and Arctic Bay began only after the Federal Government discovered that there were no native workers at Panarctic sites. Only after pressure from the Government, were Inuit from Pond Inlet and Arctic Bay hired. Initially, Panarctic offered no education or training to the native workers and they were restricted to the most menial jobs. And, according to Brody, alcohol consumption increased in the Pond Inlet community with employment at Panarctic:

...in January 1974, the Commissioner of the Northwest Territories reported that there were so many complaints from Pond Inlet about drunkenness that he had decided to 'cut off' the supplies (of alcohol).²⁸

Chance's (1962)²⁹ study of cultural change and integration in the employment experience of the Kaktovik Eskimos of Alaska on the DEW line provides another example of extensive change without corresponding social upheaval and disorganization. Patterns of sharing and cooperation were maintained and there were no problems with alcohol. In explaining the successful employment of the Kaktovik Eskimos, the author points to the major problems that arise when native people who aspire to a new way of life cannot participate in it, and he shows that the widespread participation of the Kaktovik in wage labor and their steady cash income allowed this group to attain their material goals. Also, the DEW line officials cooperated closely with the Kaktovik elders in setting up the employment program.

This last set of authors present their cases as examples of "successful" employment situations. However, some of these works, such as that of Hobart, are disputed by other northern researchers. Also, while these works may indicate instances in which certain problems, such

as alcoholism, were reduced or absent, they do not show "success" as sustained economic development for northern residents.

In the literature discussed above on the involvement of native groups in wage employment, the position of native workers in the labor force and in resource towns, and the problems which have commonly accompanied native participation in wage labor are clear. However, by focusing in a linear way on the impact of wage employment on native society, these studies by-pass the process by which the two dynamics of native labor and resource capital come together. An understanding is needed of the inherently unstable economic base provided by employment in northern resource industries and the inability of these industries to absorb the native segment of the labor force to any significant degree. The focus of this thesis is not on the labor process as the cause of the native employment problems discussed above, but rather on an analysis of the labor process as a tool with which to examine the employment problems of native people in a wider context.

The Nature of Northern Development

An alternative analysis which views the employment problems of native northerners within the context of the very nature of northern development is offered by Berger, Brody, Usher and Watkins. These authors challenge the widely held assumption that northern development is good for northern people, and specifically, that northern development provides a solid economic base for northerners.

Based on extensive hearings on the Mackenzie Valley Pipeline, Berger's report (1977)³⁰ stresses that the real control of the northern economy does not lie with northern residents, but with outside industrial interests. Berger claims that mining, oil and gas operations

require native land, not native labor and as a result, most native people are restricted to the edge of capital flows and are confined to low-pay, unskilled, seasonal employment. The retention of earnings and returns on capital within the north is critical, and strategies must be developed to allow native communities to participate in the wage economy while retaining links to subsistence activities on the land.

Brody (1978)³¹ shows, from his considerable experience with Inuit groups, that the predicament of the contemporary native Canadian constitutes the latest stage in the history of North American colonialism in which:

Industrial enterprises investing millions of dollars and, in the secondary stages of development, employing hundreds or even thousands of highly paid workers, begin to appear alongside (native) communities where material standards of life are extremely low, where groups have succeeded in balancing an exploitative fur trade with hunting and welfare to avoid actual privation.³²

Major resource firms are attracted northward to exploit vast supplies of valuable resources through highly capital intensive developments and these firms have little use for the large reserves of native labor in the North. "Indeed, the presence of indigenous peoples is widely regarded as an economic disadvantage."³³

Usher (1972, 1974, 1982)³⁴ argues that little work has been done on the nature of political, social, economic and bureaucratic links between the 'hinterland' of the North and the 'metropolis' of southern industrial centers, nor on the effects of these links on hinterland communities. This focus is necessary to show that problems in northern hinterland regions are not local in origin, nor are solutions.

Resource firms in the North have low requirements for native labor, and when there are employment opportunities, they are massive, short-term experiences with major dislocating effects on both the home communities and the communities of employment. Some of the negative social impacts include a 'decapitation' effect in which the most able members of a community are drawn away, family disruption with prolonged absences of fathers, husbands and sons, and the influx of transient workers from the south to communities of employment and accompanying racial problems, and problems related to alcohol and drugs.

Usher argues that the role of geographers in northern development issues cannot be neutral. Development projects are traditionally presented as 'faits accomplis,' and the impacts of these projects are studied only after the fact. In fact, native people never relinquished their ownership of northern lands, nor their political rights to determine their own futures. Usher urges geographers and other social scientists to help native people articulate their present situation and their vision of the future, and to give them the technical information, advice and support which they need to realize their goals.

Watkins (1976-1977)³⁵ also exposes the myth that resource development projects create development for native communities. It is native land and resources that are important to resource firms, not native labor; and in fact, non-native labor is imported from the south: readily available, trained and disciplined. Watkins claims that for native communities, large scale resource projects lead to the suppression of potential sustained economic development geared to local human needs primarily by the outward drain of economic surplus from these communities to industrial centers. Some of the impacts of northern

development have been poverty, unemployment, welfare, alcoholism, suicide and family disruption.

The common theme running through these works on northern development is that industrial interests are solely concerned with northern resources, not with northern labor. Instead, these firms tend to import southern trained and educated workers, and as a result, employment for natives has been minimal. While isolated examples of successful wage employment experiences for native workers exist, a significant proportion of cases point to a concentration of unemployment and underemployment among the native segment of the labor force, with negative impacts on native communities of social and cultural disruption, violence, alcohol and drug abuse, poverty and welfare.

Methodology and Chapter Outline

The purpose of this thesis is to look beyond the displacement of reserves of northern native labor with southern, skilled labor, to examine the underlying structural and historical circumstances which have resulted in exceedingly high unemployment rates for native groups. This thesis will focus on the employment experience of one native group, the Naskapi Indians, during the twenty-five year period following their relocation to the town of Schefferville.

The following chapter focuses on resource capital. The expansion of industrial, resource firms into the North as the latest in a series of phases of penetration of the North by southern interests is explored. Tendencies of development in the mining industry, including the concentration and centralization of ownership, the control of operations from distant financial centers, the mobility of capital, and the

orientation toward export of mining firms are developed. These tendencies are then further examined for the specific case of the Iron Ore Company of Canada, which provided the most important source of employment for the Naskapi.

The focus of chapter III is on the socio-economic situation of the Naskapi. The data collected for this thesis on the general characteristics of the Naskapi labor force, on the relationship of these characteristics to employment success, on the particular 'adjustment problems' of Naskapi workers, and on the relative importance of structural and personal reasons for terminations of employment are presented.

Data for this chapter was collected from a wide variety of sources. Detailed employment histories of Naskapi workers were compiled from employment files at IOCC in Schefferville, at the Naskapi Construction Corporation in Caniapiscau, and from files kept at the Naskapi Band Office in Schefferville on the qualifications, work experiences and desired work of working-age Naskapi.

To complete the employment histories, extensive interviews were conducted with Naskapi workers, their supervisors and their families during July, August, and September of 1980, and February of 1981. Interviewed were: fourteen employed Naskapi men, eight unemployed Naskapi men, one employed Naskapi woman, twelve unemployed Naskapi women, one superintendent from IOCC, one public affairs representative from IOCC, two union officials, four IOCC foremen, one nurse, and one Algonquin foreman from the Naskapi Construction Corporation. Interviews were conducted in Schefferville, Caniapiscau and Sept-Îles. Permission was obtained from the Naskapi Band Council for all interviews and other

information collected on the Naskapi, and permission from IOCC and the individual Naskapi workers was obtained for access to Naskapi employment files.

Interviews with male Naskapi workers were translated by a male Naskapi interpreter and interviews with Naskapi women were translated by a female Naskapi interpreter. This approach was recommended to avoid potential problems of shyness. Translations between English and Cree were conducted during the interview, tape-recorded and later transcribed. Interviews with Naskapi respondents varied in length from twenty minutes to three hours, depending on their time constraints and responsiveness. Interviews with white respondents from IOCC and the union generally lasted one hour.

The interviews with Naskapis followed a format designed to answer specific questions about the nature of their jobs, the length of their employment, and reasons for termination; and more general questions about their job satisfaction, opinions about job discrimination and reasons for their overall poor job performance records, their relationships with other workers and superiors, their union involvement, the effect of employment on their hunting patterns and family life, and their ideas about the causes of their employment problems.

Also, a simple questionnaire asking for a list of jobs held, length of employment and reasons for terminations was distributed to Naskapi workers as a supplement to the interviews and an alternative approach for eliciting information from those who found the interviews difficult.

Because of gaps in employment files and because of problems of respondent subjectivity, the cross-checking which was afforded by using

all of the above sources was invaluable in compiling complete employment histories of working-age Naskapi. These employment histories were recorded in an extensive chart with information on the date of birth; number of dependents; languages spoken; level of education; job training experience; and employment information including the job description, employer, starting and ending dates of employment, and reasons for leaving, for each job held by Naskapis of working-age. This information was then incorporated into the charts and tables presented in chapter III.

The conjuncture of industrial capital, IOCC, and native cultural ecology, that of the Naskapi, in the labor process is presented in chapter IV. The historical and structural forces within the labor process which resulted in the concentration of unemployment and underemployment among the Naskapi segment of the labor force, as shown in chapter III, are analyzed. The development of a labor process which has been unable to fully incorporate the native segment of the labor force is examined, and the way in which the Naskapis' employment situation was shaped by these developments is shown.

It will be shown that if geographers, and more generally, social scientists, are to understand how native groups are affected in their interaction with industrial resource interests, the way in which capital penetrates northern regions must be examined. Patterns of capital mobility, investment and disinvestment in the north must be studied to understand why firms locate where they do and what can be expected of these firms in the way of employment opportunities and duration of involvement. Also, the labor process which incorporates native people, to varying degrees, must be analyzed to learn how northern workforces

are controlled by firms and to see where native people fit in the employment structures of these firms.

It will also be shown that traditional views on the training and education of northern natives are insufficient to prepare these people for a successful experience as wage laborers for industrial resource firms. Most native people do not acquire the full range of skills they need to comprehend the nature of capital penetration into their lands. Such a comprehension would have allowed the Naskapi to understand why they have been restricted to minimal employment in the lowest level jobs and would have allowed them to anticipate the eventual closing of IOCC. As it is, the limited training and education which native people receive often serves to heighten the contradiction between the expectations of their more traditional ways of life and those of modern, industrial society, increasing their level of frustration and insecurity since employment opportunities for them are limited. The result is a dependency of native people on assistance programs and rising social unrest.

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Chapter II

The Northward Expansion of Industrial Capital: The Iron Ore Company of Canada in Schefferville

The mining operations of IOCC in Schefferville are representative of the way in which multi-national resource capital has located in northern communities. This expansion of industrial capital into the Canadian north is the latest in a series of overlapping phases of penetration by southern interests, which began with the earliest whalers and traders from Europe. This chapter will show, by examining the nature of the expansion of capital northward, that the location of industrial capital in northern communities has not provided stable employment opportunities for locally-based native labor pools. First, a brief historical outline of the phases of penetration into the north of different forms of capital, and the impacts on native groups, is presented with an emphasis on the most recent stage of gas, oil and mineral exploitation. This will show how the relationship between resource capital and northern native groups has evolved, and will set up the conditions with which to explore the characteristics of the mining industry, and then to specifically examine the case of IOCC.

Early Resource Exploitation in Northern Canada

Before contact with southern interests, the indigenous peoples of northern Canada were composed of diverse groups of Inuit and Indians whose means of subsistence, languages, and material culture varied

widely, along with variations on a continuum from settlement to nomadism, and from coastal to interior habitats.¹ Although contact with Europeans occurred at different times, in different locations and with different commercial interests, indigenous groups across Canada were affected in similar ways. Brody comments on the uniformity of the contact process which, he claims, caused indigenous peoples to become dependent on outside goods, as well as fearful of outside military and spiritual organizations; and which inevitably reduced the cultural diversity of these people:

A shared relationship to the means of production and power of a single dominant society provides a unity to ways of life which, in their pre-colonial condition, were highly distinctive.²

Whalers

The penetration of the North began with the contact of commercial merchant interests from Europe: the whalers and fur traders, as early as the sixteenth century in some areas. Many whalers wintered over in northern waters so as to have their vessels near whaling grounds at the beginning of the next whaling season. Relationships developed between whaling crews and native groups when whaling vessels settled in local harbors for the winter. Native groups were encouraged to establish camps nearby to supply crews with fresh meat and clothing, and in return, steel goods (knives and pots), food, and firearms and ammunition were traded. Although these periods of contact were often followed by epidemics of smallpox, venereal diseases and bouts of alcoholism, native groups, for the most part, returned to their traditional hunting activities when the whaling ships returned to Europe after a second season of whaling.³ This was possible because their work for the

whaling crews was largely an extension of their traditional native skills.

Fur Traders

Whaling activities in the Canadian arctic came to an end in the early 1900s, but the fur trade, which in some areas had begun during the early whaling period, continued to the 1940s and 1950s. As native people participated increasingly in the fur trade, so they increasingly altered their cultural ecology. Yet, they retained all previous rights to their land, and were not yet participants in wage labor during this period.⁴

In their developing relationship with native groups, the fur traders found it necessary to strike a balance between creating enough of a dependence among natives to insure their return to the trading posts each year, and encouraging a degree of independence from the posts. The literature emphasizes three reasons for the need to assure this independence. Most importantly, only by encouraging the Indian and Inuit hunters to make the fullest use of their local resources, could the traders be assured of access to the resource they were after: furs.⁵ Secondly, by encouraging the native groups to continue to live in dispersed hunting camps near their best hunting and trapping grounds, and thus remain self-sufficient, the traders could remain free from having to provide for the natives' subsistence needs. And thirdly, this independence of native groups from European trading posts was fostered by the state (since 1867), according to Hamelin, to "avoid conflicts between Indians and colonizers."⁶

Missionaries and the RCMP

Two other institutions which have been considered important in the

development of native cultural ecology were the Christian missionaries and the Royal Canadian Mounted Police (RCMP). The religious interests are generally characterized in the literature as working against traditional native spiritual beliefs to convert native people to Christianity,⁷ and by 1900 the Catholic and Anglican missions had assumed responsibility for providing Inuit and Indian groups across the north with health care and education. During the early 1900s, the RCMP established posts across the north and exercised the first direct, formal control over native groups. Berger characterizes their coercive impact in the following quote:

Political, religious and commercial power over the lives of the native people came to reside in the triumvirate of policeman, priest and Hudson's Bay store manager.

Together, these agents had the effect of facilitating a better cooperation from the native people with the traders: the missionaries provided the ideological basis, and the RCMP, the legal basis for assimilation and cooperation.

Any inclination to resist (participation in the fur trade) was discouraged, explicitly by traders and missionaries, implicitly by missionaries and policemen.

By the early 1900s, the ecological impact of increased trade in the north included the depletion of populations of caribou, musk ox and some fur species. In the western Arctic, caribou and musk ox had been overhunted by natives to supply whalers with fresh meat. "Whaling took a heavy toll not only of the bowhead whales but also of musk oxen and caribou."¹⁰ In other areas of the north the fur trade resulted in the overkilling of both fur species and game by native groups as a logical response to economic incentives, facilitated by the introduction

of the rifle. In some cases, it is known that white trappers went so far as to kill off large numbers of caribou and musk ox to force an otherwise reluctant dependence of native hunters on trading posts.¹¹

The creation of economic dependence was a deliberate policy on the part of the trading companies, for when the quality of trade goods was not a sufficient inducement for Native people to produce a surplus for exchange, the destruction¹² of traditional food resources was encouraged.

Thus, native hunters were increasingly drawn into the fur trade. And as the caribou and musk ox, their most important resources, were depleted, native people gradually became dependent on trade goods such as staple foods, and firearms and ammunition. They were thus increasingly affected by the vagaries of the market for furs in the south, experienced through fluctuations in fur prices offered by the trading posts.

The Beginnings of Federal Participation

In the mid-1940's, the price of fox and seal furs plummeted as a result of the development of synthetics and the widespread development of fur farms.¹³ And with the collapse of the fur trade, the next phase of penetration of the north began with the active participation of the federal government. The subsistence economies and social networks of native groups across Canada had become severely weakened and many of these groups could no longer provide for their own subsistence needs. Some native people were encouraged to migrate to military centers in the north where radar lines (the Mid-Canada line along the fifty-fifth parallel and the DEW line along the seventieth), airfields and bases were built in the post-World War II years. Other native groups in dispersed hunting camps were strongly encouraged by the federal

government (in some cases were forced) to move to settlements where their needs could more easily be provided for.¹⁴

The growing awareness by southern Canadians of the worsening situation of native northerners, informed by accounts in the press and government reports of widespread deprivation and suffering, contributed to a shift away from the government's laissez-faire approach to residents of the north. It became necessary for the federal government to intervene with the provision of family allowances and old age pensions, nursing stations, schools and housing.

Multinational Capital in the Canadian North:

The Latest Phase of Resource Exploitation

The most recent phase of penetration of capital, beginning after World War II, involves multinational interests in resource exploration and extraction, with the close cooperation of the Canadian state and the provinces. Some examples of these resource projects include: the James Bay hydro-electric project (Quebec); oil, gas and mineral exploration in the Arctic Islands and the Beaufort Sea; and mines at Pine Point (N.W.T.), Flin Flon (Manitoba), Coppermine (N.W.T.), Lynn Lake (Manitoba), and Schefferville (Quebec).

This latest phase of penetration has been the subject of a growing body of literature which has attempted to understand patterns of investment and disinvestment in the North and impacts on northern communities. Two examples of this type of work are offered by Bradbury¹⁵ and Brody.¹⁶ Bradbury has written about the high costs and risks for firms involved in northern resource development and the resulting necessity for state aid, which has taken the form of

grants, tax relief measures and special licenses.

Brody has also discussed the environmental and socio-economic constraints associated with resource extraction in the north. These constraints have limited the economic development of northern regions to highly capital intensive firms, with aid from the state. The movement of multinational capital into small, isolated native communities, often solely dependent upon welfare by this period, is described by Brody:

The qualities of the north have meant that for a long time it has been beyond the reach of agricultural interest or industrial possibility. On the other hand, these same fundamental qualities mean that once the industrial potential of the north is apparent, it can only be tapped economically by the application of huge amounts of capital and large-scale operations. Therefore, when industry does come to the north, we find the smallest, most isolated societies alongside some of the most costly and technically complex development projects in the world. Hence the paradox: the smallest alongside the most modern, and the most remote becoming involved with national or even international economic interests.

The work of scholars such as Bradbury and Brody suggests that such a paradox can only be explained as a specific, historic conjuncture in which native groups in small, remote communities are brought into contact with multinational capital. For the present discussion on the movement of capital northward in the latest phase of capital penetration, it should be emphasized that the current situation of native groups is not determined solely by the needs of multinational capital. Rather, their situation is the result of an entire history of relationships between native groups and different forms of capital, which in many cases, led to a dependence of native groups on the state.

Research with such a perspective, which goes beyond the needs of capital as a determining factor, can provide an additional instance to

the body of literature on the incorporation of the so-called precapitalist native societies into the sphere of capitalist production.¹⁸ In these studies, the emphasis is placed on the increasing importance of cheap sources of native labor for capital. In the northern instance, capital's needs are solely for natural resources, not for native labor. The different nature of the relationship of capital with native labor becomes clear if the problem is approached as a historical and geographical conjuncture of the two dynamics instead of as a linear determination by the needs of capital.

In discussing the nature of resource industries in the north, the literature has analyzed the basic characteristics of resource capital, which can be summarized as four essential aspects: concentration and centralization of ownership, external control, capital mobility and export orientation. A brief examination of these aspects will help us to better understand patterns of investment and disinvestment in the north and the impact on native employment in northern resource industries.

Concentration and Centralization

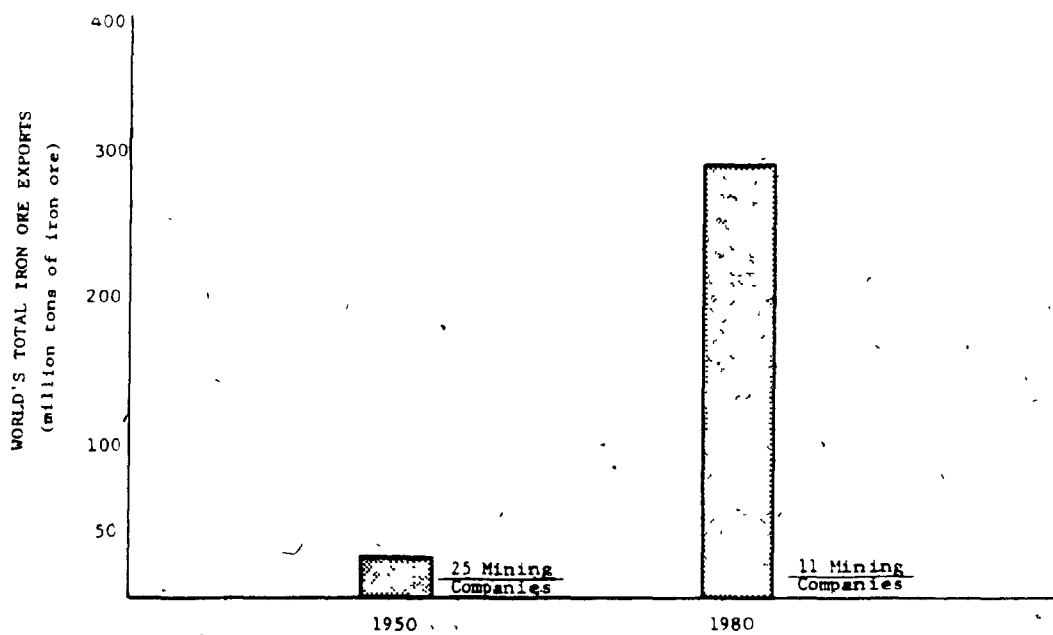
A primary tendency of capital is the increasing concentration and centralization of economic power in the hands of fewer and larger corporations, located in financial centers. Recessions and crises force the weakest companies out of business and the surviving ones use their advantages of strength to merge. However, rather than increasing control over the market, these mergers only intensify competition on an international scale, and firms are thus forced to expand even further.¹⁹ A case in point is provided by the iron ore industry (Fig.1). In 1950, twenty-five mining companies were responsible for the

world's total export of thirty million tons of iron ore. But, by 1980, only half of these companies were still active and they shared seventy-five percent of the world's total exports: 300 million tons out of the world's total 400 million.

This means that in the last thirty years there has been a growth in the capacities of each company and those who didn't follow the trend simply disappeared.

FIGURE 1

CONCENTRATION OF IRON ORE MINING INDUSTRY 1950-1980



Source Le Dialogue January 1981, p 10

External Control

A second characteristic of capital described in the literature is the foreign control of Canadian mining operations, which reflects the concentration and centralization of capital. As mining firms are subject to the tendencies of centralization and concentration, mining communities become increasingly controlled by the external and distant head offices of these multinational mining firms. Managers make decisions which affect the viability of these communities from hundreds, even thousands of miles away at their head offices in the financial centers of Canada and the United States. These decisions are based on many interrelated external market forces such as fluctuations in investment patterns, world prices and employment patterns. That decisions regarding profitability are made by foreign managers is not important in itself. Rather, the decisions of profitability which foreign directors make are determined by the concentration and centralization of capital which links resource operations around the world.

The allegiance of these international managers is increasingly to the firm rather than to a nation state or to a single resource town.²¹

However, this situation, combined with the instability of the world market for any single natural resource, leads to the severe problems associated with the characteristic boom and bust cycles of mining communities.

Multinational Corporations conduct their business around the world with utter indifference to the national interests of the countries in which they operate, and we are very much concerned that they display the same indifference to the interests of

the workers they employ. Capital is highly mobile; workers are not. Capital can be here today and gone tomorrow, while workers are left to fend for themselves, often under circumstances of hardship.²²

Capital Mobility

Closely tied to the concentration and centralization of externally controlled resource firms is the mobility of capital.

Large modern corporations - and conglomerates in particular - will and frequently do close profitable branch plants or preciously acquired businesses, for a variety of reasons directly related to the nature of centralized management and control.²³

With multinational corporations in fierce competition for markets, minerals and sources of cheap labor, the mobility of capital is imperative for corporations to take advantage of constantly changing investment opportunities; and resource extraction operations may be shut down accordingly whenever more profitable locations are found.

The literature on capital mobility has attempted to locate the impetus for mobility, and perhaps the most well known example is the work of Bluestone and Harrison.²⁴ These authors have emphasized 'business climate' factors of industry regulations, business taxes and the social wage as shaping the profitability of an enterprise, and thus influencing the mobility of capital. Bluestone and Harrison point out that such factors are not exogenous to an industry but rather, are shaped by the industry itself. The 'business climate' is manipulated by the degree of political pressure applied by industry. Therefore, a critical aspect in determining the profitability of an enterprise is the ongoing conflict between management and workers within the production process, with managers improving productivity by pushing workers to increase their output and with workers resisting their efforts.

Bluestone and Harrison argue that industries often respond to this conflict with relocations, opening and closing plants, to keep labor off balance.

In the 1970s, for instance, a massive relocation of resource extraction operations to lesser developed countries, such as Brazil and Chile, took place. In many of these countries, workers can be paid at wages below the cost of their reproduction, pollution and job safety standards are relatively low when compared with the United States and Canada; foreign governments offer corporations tax breaks and other financial incentives; and mineral deposits are relatively undepleted and richer in lesser developed countries.

...geographical relocation of large companies, or part of their operation, can occur across national boundaries wherever new extraction areas are found, where cheaper and more docile labor is available, or where less stringent²⁵ pollution controls avail and tax relief is given.

A comparison of rates of return for United States mining projects in Canada and Latin America for the period between 1953 and 1977 (Table 1) shows that Canada's peak rates of return were below the lowest rates in Latin America. The rôle of the state in attracting multinational investment in the lesser developed nations is clear:

Threats posed by multinational corporations to job security are compounded by the policies of individual governments, which attempt to lure foreign companies to underdeveloped regions by offering low-interest²⁶ financing, tax holidays, and other inducements.

However, the consequences of capital mobility include instability and unevenness in national industries and local economies.²⁷ And, according to Bell, director of research at the Canadian Labour Congress, Canada is the most vulnerable of any of the major industrialized

countries to these activities of multinational corporations.²⁸

Table 1

Rates of Return on Total Book Value,
U.S. Firms' Direct Foreign Investment in Mining and Smelting
(percentages)

	<u>Canada</u>	<u>Latin America/Caribbean</u>	<u>South Africa</u>
1953-1957	8.3	10.4	25.7
1958-1962	5.9	14.5	20.8
1963-1967	9.9	19.9	43.3
1968-1972	5.3	12.8	31.6
1973-1977	7.5	11.7	not available

Source: Pollin, R., "The Multinational Mineral Industry in Crisis,"
Monthly Review, Vol.31, No.11, 1980, p.28.

Export Orientation

The mining industry in Canada is further characterized by export orientation and captive mines.²⁹ Resource areas serve as suppliers of raw materials and then as markets for finished products, with the processing of these raw materials often taking place outside the resource areas. Since most of the total value of a refined metal product is generated in the processing stage,³⁰ the bulk of the added value and the majority of jobs created are external to the resource area.

Table 2

Export Dependence of Major Iron Ore Producers, 1977

<u>Exporting Country</u>	<u>Location of Market</u>	<u>Percentage</u>
Australia	Japan	88.4
Canada	U.S.A.	62.5
Chile	Japan	77.9
India	Japan	82.9
Peru	Japan	78.4
Scandinavia	E.E.C.	79.4
Venezuela	U.S.A.	66.0
West Africa	E.E.C.	63.4

Source: UNCTAD, "The Maritime Transportation of Iron Ore," 1977, p.13, quoted in Bradbury, J., "The Industrial Geography of Iron Ore and Steel," Perspectives on Social and Economic Change in the Iron-Ore Mining Region of Quebec-Labrador, 1981, p.134.

Also, the situation of captive mines generates a serious producer dependence on one market. For example, in 1970, the ten major iron ore exporting countries accounted for 83% of world iron ore exports while the five major iron ore importing nations accounted for 78% of world iron ore imports (Table 2). In Canada, over 70% of the mineral production is exported, much of this in crude form,³¹ and the principal destination of these minerals is the United States (Table 3). Thus, the development of a resource area is determined by the needs of capital in the centers of production and processing, and in the case of Canada's resource areas, by the demands of the United States market.

Extractive industrial regions, resource towns, or production sites are readily retained as such without necessitating local expansion of operations or technology into manufacturing or other added-value activities.³²

Table 3

Canadian Minerals and the United States (1970-1973 average)

<u>Commodity</u>	Canadian Exports to U.S. as % of Canadian <u>Production</u>	Imports from Canada as % of <u>U.S. Imports</u>	Imports from Canada as % of <u>U.S. Consumption</u>
Asbestos	41	97	87
Nickel	46	63	57
Potash	71	95	57
Gypsum	74	77	29
Zinc	34	55	24
Iron Ore	46	51	16
Silver	71	52	52
Sulphur	23	72	9
Lead	24	31	16
Copper	21	37	7

Source: Adapted from Energy, Mines and Resources Canada, Mineral Industry Trends and Economic Opportunities, Ottawa, 1976, p.21, quoted in Clement, W., Hardrock Mining, McClelland and Stewart Limited, Toronto, 1981, p.71.

The Role of the State

The literature on the nature of northern resource exploitation further includes the role of the state in aiding private industry to defray the high infrastructure costs and high risks which are involved in any resource development project in northern Canada. These include high exploration, and research and development costs, high labor costs, extreme distances from markets, problems of seasonality and high fixed capital costs.

The involvement of the state in resource exploitation has commonly been portrayed in the literature as determined by the needs of capital in this period. For example, it is widely recognized that the state encourages flows of capital and migrants into certain areas where resource towns are planned. Laws are created concerning labor relations, work conditions and union activity, which affect the desirability of an area for the location of a project. In addition, large grants and tax relief measures are granted to resource firms by the state.³³

...the state has established itself as an agent of development, either indirectly through regulating the use of resource areas, or directly by intervening in various ways. Among such interventions, the control of uranium mines, the "Roads to Resources" programme, the railway infrastructure, and co-participation through Panarctic in the search for oil and gas can be noted.³⁴

However, a point that is often missed in the literature on state involvement in resource exploitation is that the state has historically played another critical role in the north, which has been the provision of services to native inhabitants.

This dual role of the state is perhaps best illustrated by the involvement of the state in the employment of native workers for resource firms. It is the Canadian state that has been the source of strongest support for native employment, not industry, which largely employs imported, skilled labor from the south rather than the potential reserves of locally based native labor.

Indeed, the presence of indigenous peoples is widely

regarded as an economic disadvantage. The northern frontier is valuable insofar as capital intensive developments can generate large profits.

In the late 1960's, the Federal Government was increasingly criticized for the failure of their efforts to find employment for Indians, Metis and Inuit, which up to that time, had been largely confined to obtaining specific employment commitments from resource companies. In response to this criticism, the office of Employment Liason Officer (ELO) was created with the Northern Economic Development Branch of the Department of Indian Affairs and Northern Development (DIAND) in 1968. Since then, the state has instituted numerous training and education programs and has applied pressure to resource firms to hire native people. But resistance to native hiring from resource companies has continued. For these firms:

...the cost of giving such jobs is high, and has often been resisted by the developers but urged on them by the federal government. Hiring of (natives) ... is, in fact, sometimes viewed as part of the price some companies must now pay for federal subvention.

An example of this resistance is the failure of the native employment initiatives created at the Pine Point mine.

Most of the responsibility for their failures (or rather limited successes), rests with the Company, which has on all occasions made a successful effort to keep its hands free in terms of training and hiring of native employees.

Thus, the state has historically played a dual role in northern development. In the latest phase of penetration of multinational capital in the north, the state has proved to be a critical source of aid for multinational firms. But long before it assumed an important role in resource exploitation, the state had been involved in the

provision of goods, services, and employment opportunities to native groups across Canada.

The Iron Ore Company of Canada

A number of points have been made regarding the concentration and centralization of multinational firms, capital mobility, external control and export orientation, all symptoms of the sort of competition which characterizes the contemporary multinational firm. The following illustration of how these characteristics are reflected in the case of IOCC begins with a brief description of how this company came to be formed as part of a multinational conglomerate.

The early history of IOCC begins with the incorporation of the Labrador Mining and Exploration Company in 1936 in Newfoundland, and of the Hollinger North Shore Exploration Company in 1942 in Quebec. Both of these exploration companies were financed by Hollinger Consolidated Gold Mines (Canadian) and by the M.A. Hanna Company (American). Hollinger controls 51% of the Labrador Mining and Exploration Company and 60% of the Hollinger North Shore Exploration Company. After incorporation, the state played an instrumental role with aid for these two companies. Special acts of parliament were granted from the governments of Quebec and Newfoundland which gave the Hollinger North Shore Exploration Company and the Labrador Mining and Exploration Company long-term leases and exclusive exploration rights to the best high grade deposits in both provinces.³⁸

The Iron Ore Company of Canada was incorporated in 1949, to mine the iron ore deposits on these concessions granted to the Hollinger and Labrador exploration companies. In 1953, the Labrador Mining and

Exploration Company subleased eight mining leases to IOCC covering an area of thirteen square miles in the Labrador Trough, and the first shipments of ore began in 1954.

The ways in which IOCC typifies the characteristics of capital mobility, external control and export orientation will be explored shortly. First, however, the interrelatedness of these characteristics should be emphasized. While capital mobility, external control and export orientation are interrelated symptoms of the intense international competition which multinationals are subject to, the literature has typically treated them separately, each as important in and of itself. An example is the work of Park and Park³⁹ which focuses on the external control by American managers of IOCC's mining operations as the source of Schefferville's problems. Their emphasis is captured in the following quote:

...this Canadian-sounding company is incorporated in the state of Delaware, with its head office at Wilmington, and is completely controlled in the United States...⁴⁰

This approach is also reflected in the frustration of IOCC's workforce, at the export orientation of their operations and their dependence on the U.S. market for steel products. IOCC announced massive lay-offs in 1980 and 1981 as a result of the depressed American market for steel products, and the following is a sample of the sentiments of the workforce.

It is only the steel situation on the American markets that prevents us from going ahead and developing our resources. As IOC president, Mr. Brian Mulroney said in Sept-Îles recently 'we are completely dependent on the U.S. Steel industry.'⁴¹

Many even feel frustrated when they see that

although ⁴² we improve productivity we cannot sell more iron ore.

IOC sells its products to the steel manufacturers in the United States. Their problems become our ⁴³ problems.

However, when the external control and export orientation of IOCC's operations are viewed with a different emphasis, as aspects of a totality of relationships between increasingly concentrated and centralized multinational firms, it is not surprising that IOCC's corporate directors reflect the American domination of the steel industry or depend on American markets for their products. Most importantly, it then becomes clear that the problem for IOCC's workers reaches beyond American control of the steel industry or dependence on American markets to encompass the very nature of international competition. Out of this competition derives not only the control of operations from distant financial centers, and export orientation, but also the necessity for changes in the labor process which make it possible for capital to move around the world in search of increasingly profitable investment opportunities.

Capital mobility takes a number of forms: plants are shut down; older facilities are allowed to run down so that the depreciation allowances may be used to reinvest in other plants; and profits earned from one operation are reallocated to newer facilities.⁴⁴ Capital mobility was important at IOCC, and Schefferville, in several respects: the establishment of a parallel production line at Carol Lake, 150 miles from Schefferville; the investment in mining operations in Brazil; and the final closing of IOCC's Schefferville operations in 1983.

The decisions to invest in mining operations at Carol Lake, near

Schefferville, and in Brazil, were responses to the heavy competition which IOCC faced on the world market in the 1960's. A series of changes in blast furnace technology had made the use of iron ore pellets and concentrates increasingly important by 1960; and due to the acceptability of lower grade ores in the processing of pellets and concentrates, a wider range of lower grade ores was brought into production. Meanwhile, Schefferville continued to depend on exports of their more expensive high grade, raw ore. Thus, the 1960's were characterized by abundant worldwide supplies of iron ore as lower grade ores were brought into production, and IOCC found itself at a competitive disadvantage.⁴⁵

IOCC invested in a parallel production line at Carol Lake, in 1962, to process the lower grade ores found in that area. These ores were cheaper to produce than the ores found in Schefferville (approximately \$9.00 per ton cheaper, in 1980) because they could be concentrated and pelletized by spiral and cone processes. This is in contrast to Schefferville ores which had to be processed by expensive flotation techniques, needed to separate the inconsistent levels of silica from the Schefferville ores.⁴⁶ Because Carol Lake ores were less expensive to produce, the Carol Lake operations were a threat to the continued existence of Schefferville, particularly in periods of low demand for iron ore as in the early 1980's. Both mines, owned by the same company, were in direct competition for investment funds, and Carol Lake was seen by Schefferville's residents as the operation favored by IOCC at the expense of reduced production, or even closure of the mines in Schefferville.⁴⁷

In 1964, the M.A. Hanna Mining Company found another investment

opportunity in Latin America. They further expanded their mining operations by opening a mining complex at Minas Gerais, Brazil, where the ores were largely untapped and therefore extremely rich. Also, labor costs were far below those in North America, and the labor force was relatively unorganized: "...three Brazilian employees are paid the same as one employee at IOC." ⁴⁸

Closely related to these two decisions was the decision to shut down the Schefferville operations altogether in 1983. When massive layoffs were announced in 1981, workers were told that to combat competition from mining operations which profited from cheaper labor, such as those in Brazil, they needed to increase their productivity:

The main factor is probably low productivity...the workers will have to try and improve their productivity...

And,

The Brazilians and the Australians are walking off with the markets at government-subsidized prices. They are knocking jobs out throughout North America.

It was not mentioned, however, that IOCC's competition from Brazil was a result of decisions made by their parent company, M.A.Hanna, to shift investment in 1964, and that profits from IOCC went into financing mining operations in Brazil, such as in Belo Horizonte. ⁵¹ Also, the workers at IOCC knew for years that the operations in Schefferville were extremely efficient and productive. And, since annual production levels were pre-set by management, and had drastically decreased in the years immediately preceding IOCC's shutdown, further increases in their productivity would shorten the mining period each year in which IOCC's workforce could work.

We (the United Steelworkers of America) developed a training program jointly with IOCO (sic). The labor force there, which is made up of lumberjacks and farmers, is the most efficient in the iron ore industry and that includes the United States. Hell, the labor costs⁵² there are almost infinitesimal.

The permanent closing of the mine was announced on November 2, 1982. According to a report in Le Devoir, IOCC had been moving capital out of its Schefferville operations for several years: "...la compagnie a cesse de reinvestir ses gains dans la modernisation et l'amelioration de ses usines de la Cote-Nord"⁵³

The failure of mining operations to incorporate native labor into their workforces and to provide local communities with economic development derives from the nature of multinational resource extraction in the Canadian north, discussed above. The concentration and centralization of ownership, mobility of capital, external control, export orientation and subsidies provided by the state to firms, which characterize the mining industry, make it possible for firms to run highly profitable operations in the north. However, it is also these characteristics which result in instability for local communities: local labor pools are not well incorporated into the workforces of these operations, the length of involvement in a community is always uncertain, and flows of capital and commodities are established solely with southern centers.

The unstable economic base provided by IOCC's mining operations in Schefferville played a major role in the employment problems which the Naskapi experienced. But, even before the Schefferville operations were shut down the Naskapi were not incorporated into the labor force to any

significant degree. The empirical information on the involvement of the Naskapi in wage employment is presented in the following chapter.

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Chapter III

The Naskapi Labor Force

As we have seen, IOCC is characteristic of most industrial interests which have advanced northward for resource extraction: they are highly capital intensive, and they have little interest in the reserves of native labor in northern Canada; instead they import southern educated and southern trained workers. However, in efforts to bring some economic benefits of the extraction of resources from native lands to native communities, the state has, in recent years, been pushing for the employment of native people by these industries.¹

The incorporation of native people into a wage labor economy has, however, been problematic and has prompted a growing number of studies on the 'adaptational problems' experienced by natives working for large industrial concerns.² From the beginning, the Naskapi were restricted to token employment at IOCC in the form of temporary, hard-labor jobs, at the lowest levels in the job hierarchy. Their unemployment rate has always been high, and the Naskapi have been plagued with related problems of alcoholism and drug abuse. Their employment dilemma is characterized by Naskapis' complaints of discrimination and white workers' complaints of irresponsible Indians.

In this chapter, it will be shown that Naskapi involvement in the job market has been minimal, but not for reasons traditionally suggested such as lack of education, training or language skills, nor for problems of adaptation. These assumptions about the Naskapis' employment

problems are explored and critiqued. The next chapter will suggest an alternative explanation in which the focus is on an analysis of the historical and structural processes which have minimized the Naskapis' participation in wage employment.

Relocation and Early Employment

The Naskapis' first important contact with Europeans occurred in 1830, when the Hudson's Bay Company (HBC) established a trading post at Fort Chimo for the purpose of trading European goods for furs with the Naskapi Indians. Previously, the Naskapi had met their subsistence needs through the harvesting of caribou (their most important resource), ptarmigan and various species of fish throughout the Quebec-Labrador peninsula. In addition, sharing was widely practiced among the Naskapi according to established kinship patterns. Thus, the Naskapi proved to be poor traders because their limited needs for food and clothing were satisfied by the hunting and sharing of caribou.

Being caribou hunters they can hardly be induced to trap fur-bearing animals. They depend wholly on the herds of bagren-ground caribou for their food and clothing...

Therefore, the creation of a dependence among the Naskapi for the goods at the HBC became necessary, not only to secure a trading relationship with the Naskapi, but also because they were a potential source of fresh meat for the traders. Between the opening of Fort Chimo in 1830, and the Naskapis' relocation in 1956, the Naskapi traded during various periods of time at Fort Chimo, Fort Naskope and Fort McKenzie.

By 1840, the Naskapi were becoming dependent upon the Fort Chimo post for the supply of rifles and ammunition. They also came to depend

upon the post for subsistence goods, since the time that they spent trapping marten for furs to trade was time spent away from their subsistence hunting activities.

As trading posts, however, are now established on their lands, I doubt not but artificial wants will, in time, be created, that may become as indispensable to their comfort as their present real wants. All the arts of the trader are exercised to produce such a result, and those arts never fail of ultimate success. Even during the last two years of my management (1841-1842) the demand for certain articles of European manufacture had greatly increased.

When food supplies were available at the post, they consisted of flour, tea, lard, tobacco and sugar, but Naskapis often arrived at the HBC post to find shortages of even these food supplies. The Naskapi suffered recurring years of massive starvation, at first, because of shortages of ammunition supplies.⁷ But by 1900, actual numbers of caribou began to decrease through disease, migration, and overhunting following the introduction of the repeating rifle.⁸

The Naskapi also suffered epidemics of such diseases as tuberculosis and pneumonia, which were introduced in their contact with the traders.

Their deterioration has resulted from contact with avaricious traders, who profited unduly from their labors, spread the diseases of civilization among them, diluted their racial purity, and contributed to the depletion of their vital food resource—Cabot's Caribou—by placing in their hands the deadly modern weapons of wholesale destruction.

In 1949, the RCMP began to issue relief to the Naskapi after representatives of the Federal Government travelled to Fort Chimo to verify reports of their dire condition. According to one government official:

..this group of Indians is probably in the worst state of any group in Canada...¹⁰

For three summers, a representative of the Indian Affairs Branch of the Office of Citizenship and Immigration visited Fort Chimo and urged the Naskapi in vain to move to Sept-Iles, where they would be more accessible for government assistance. The possibility of moving to an area approximately forty miles north of Schefferville, Lake Wakuach, was offered to the Naskapi in 1955. Dying of disease and starvation, and too weak to carry out their regular subsistence activities, particularly in years of scarce resources, the Naskapi agreed to relocate from their hunting, fishing and trapping grounds in northern Quebec, to take advantage of promised employment opportunities and access to health care and education in Schefferville. The Naskapi:

..assert that they were definitely promised that they would have a school, housing, a nursing station with a nurse like the ¹¹one in Chimo. On that promise, they moved.

However, nothing had been prepared at Lake Wakuach to anticipate their arrival and the Naskapi continued travelling on to the town of Schefferville. During their first year there:

No Nascopies (sic) received schooling. The nursing-station did not materialize, and the company medical officer has received no support or remuneration from government sources since the early months. Sanitary facilities were provided by ¹²the Town of Schefferville to prevent an epidemic.

By 1957, one year later, conditions had not improved:

The children are, if we may say so, dressed with rags and do not have sufficient warm clothes to protect them from the hard winter at Schefferville. Furthermore, I will take this opportunity to mention that the shacks presently occupied by the Indians of Fort Chimo are very cold being not insulated (sic). Upon my arrival at Schefferville, the Chimo's Indians had been without food for three days because

the rations of the month of August have not been distributed.¹³

Employment opportunities for the Naskapi were initially limited to occasional, temporary jobs. According to a government report in 1956:

The reason why more Indians are not already employed is to be attributed, as in other areas, to the Indians' unreliability and lack of responsibility. In the case of the Chimo Indians the language barrier is an additional difficulty. This however will be remedied gradually as more Indians¹⁴ become in contact with the non-Indian population.

The uncertainty of employment opportunities for the Naskapi was one of their most serious problems. When the Naskapi first arrived in Schefferville, it was in the earliest stages of a resource town: work was sporadic and labor turnover was high.³ According to one official at IOCC, the company's needs for labor were high, though individual jobs were short-lived; and it was only these temporary jobs which were available to the Naskapi. An unofficial company policy of laying-off Indians before the end of their sixty-five day probationary period, insured that they did not accumulate seniority and job security, and this exacerbated their unstable employment situation. Many Naskapis found this type of sporadic, temporary work disorienting and unsatisfactory as a way to support their families. In addition, there were no job training or language programs offered for the Naskapi in their first years in Schefferville. This made a difficult period of adjustment to wage employment more exasperating and contributed to their isolation in town and on the worksite.

The perceptions of the Naskapi about their employment situation during their earliest years in Schefferville reflect the instability and uncertainty of employment which they faced and is illustrated by the

following quotes. Most Naskapis interviewed said there were enough jobs to go around:

In Chimo, no jobs, so the government moved us to Schefferville, telling us of jobs and stores with clothes and food. There were lots of jobs for Naskapis when we got to Schefferville.

The government told us to move down to Schefferville for jobs and we could get our needs and wants met more easily. Jobs were waiting, the only problem was booze.

However, some Naskapis stated that they arrived in Schefferville to find there were no jobs available to them:

The government moved Naskapis to Schefferville because they were sick and suffering, and there was not enough food at Fort Chimo. The only source of income was selling skins. Naskapis were told there would be jobs - there weren't and that was the company's fault. The government and IOCC don't work together, the government tries to help people.

There must be some kind of thing going on since IOCC doesn't want to hire Naskapis.

The government thought Indians could work at IOCC, but IOCC doesn't want to hire Indians.

This confusion about the availability of jobs derives from the erratic nature of the job market during IOCC's earliest years in Schefferville, with sudden needs for labor followed by massive layoffs. Situations of stable employment were available to very few Naskapi. In spite of these difficulties upon their arrival in Schefferville, the Naskapi worked for a number of employers, but IOCC remained their major, most stable source of employment. Along with general labor and janitorial work for IOCC, some of their first jobs included outfitting, guiding for geologists, loading and unloading helicopters at the radar station, paving streets, building townhouses and erecting poles along the ridge overlooking Schefferville for wiring.

For nearly two decades after these first, temporary jobs, IOCC was practically the sole employer of the Naskapi. In the late 1970s and early 1980s, a wider variety of jobs opened up for the Naskapi such as work as slashers for the Naskapi Construction Corporation in Caniapiscau, heavy labor for some of the other construction companies at the James Bay Hydro-Electric Project, teaching for the Knob Lake School, various supporting jobs (social worker, manager, secretary) for the Naskapi Band Council, and construction jobs at the new village (Table 1).

General Characteristics of the Naskapi Labor Force

As a group, the Naskapi workforce¹⁰ is generally poorly educated, has received limited job training and many cannot communicate in the languages used on local jobs sites: French and English.

Education

The mean level of education for the total Naskapi workforce in 1981 was 5.7 years, with 6.6 years for women and 4.8 years for men (Table 2). If the education levels are broken down further into age groups, young Naskapi (born since the move to Schefferville in 1956) show more years of education than the older Naskapi. Young women had an average of 11.9 years of schooling and young men, an average of 8.5. This difference reflects the fact that there were far greater opportunities for young men on the job market than for women. Jobs at IOCC, Caniapiscau and as guides were the three largest outside sources of employment and were only available to men: young men left school earlier than women to take advantage of these jobs, most of which were available only seasonally.

Table 1

Sources of Employment in September, 1981

<u>Employer</u>	<u># of Jobs</u>	<u>% of Total Jobs</u>	<u>Ave. # Months of Employ.</u>	<u>Job Description</u>	<u># Men</u>	<u># Women</u>	<u>Ave. # Months of Employ.</u>
Naskapi Relocation Corporation	19	28	1.5	Construction of new village	14	1	2
				Public Relations, new village	1	-	2
				Canteen, new village	-	3	1
Iron Ore Company of Canada	18	26	2.3	Janitor	1	-	235
				General Laborer	11	-	245
				Track Laborer	3	-	227
				Pipeline Laborer	1	-	170
				Plant Laborer	1	-	238
Naskapi Band Council	10	15	20	Translation	1	1	15
				Life Skills Teacher	1	1	14
				Secretary	-	2	11
				Social Worker	-	1	19
				Office Manager	1	-	1
				Band Manager	-	1	45
Naskapi Construction Corporation	10	15	4	Janitor	-	1	33
				Slasher	10	-	4
Knob Lake School	4	6	18.5	Teacher	-	3	24
				Home/School Coordinator	1	-	13
Naskapi Band Council/Ind. Affairs	3	4.5	7	Naskapi Radio Op.	1	1	11
				Health Rep.	-	1	3
Bob May	2	3	4	Guide	2	-	4
Canadian Health & Welfare	1	1.5	4	A.A. Coordinator	-	1	4
Montagnais Band Council	1	1.5	9	Secretary	-	1	9
Total	68	100.5%	32				

Source: Original data, field survey results, 1981.

Table 2
Education Levels of Working-Age Naskapi

Years of Education	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
Women																		
25 & younger	-	-	-	1	-	-	-	1	1	4	-	1	1	10	5	-	2	26
%	-	-	-	4	-	-	-	4	4	15	-	4	4	38	19	-	8	100%
Women over 25	6	7	17	1	1	3	1	-	-	-	1	1	-	3	1	-	-	42
%	14	17	41	2	2	7	2	-	-	-	2	2	-	7	2	-	-	98%
Total women	6	7	17	2	1	3	1	1	1	4	1	2	1	13	6	-	2	68
%	9	10	25	3	1	5	1	1	1	6	1	3	1	19	9	-	3	98%
Men 25 younger	-	-	-	-	-	-	-	3	11	2	3	2	-	-	-	-	-	21
%	-	-	-	-	-	-	-	14	52	9	14	9	-	-	-	-	-	98%
Men over 25	25	4	-	1	2	4	4	4	4	2	3	-	-	-	1	-	-	50
%	50	8	-	2	4	8	8	8	8	4	6	-	-	-	2	-	-	100%
Total men	25	4	-	2	4	4	7	15	4	6	2	-	-	1	-	-	-	71
%	35	5	-	1	5	5	10	21	5	9	3	-	-	1	-	-	-	100%
Total population	31	11	17	3	1	5	5	8	16	8	7	5	1	13	7	-	1	139
%	23	8	12	2	1	3	3	5	11	5	5	3	1	9	5	-	1	97%

Source: field survey results, 1981.

Men and women older than twenty-five showed average levels of education of 3.3 and 3.4 years respectively. Fifty percent of these men had no education, and many of these were the Naskapi who began working for IOCC in the early years of operation and worked steadily for the company, but had few opportunities to receive any schooling. On the other hand, only fourteen percent of the women over twenty-five show no level of education, while forty-one percent had two years of education. These two years were part of the Adult Education program, designed to teach Naskapi adults basic skills in English and Math, which had a significant impact on Naskapi women.

Training

The Naskapi made a concerted effort, beginning in the 1970s to receive relevant training for jobs in the Schefferville area. The most widely attended job training course was carpentry, taught by an Algonquin. The Naskapi who attended the course built their own Band Office on the Matimekossh Reserve, and a wood shop, also on the Reserve. Roughly thirty Naskapi took this course, and almost as many women as men. The women who were trained in carpentry founded their own company, "OKO Inc." (the Owls) and specialized in finishing the interiors and exteriors of the houses in their new village, Kawawachikamach.

Other courses included heavy equipment operation, welding, surveying, radio operation, commercial, secretarial and administration skills, police training, community health, teacher training, environmental conservation, and chainsaw safety. The Naskapi put their training to use as welders, surveyors, carpenters, bulldozer and loader operators, in their work on the new village.

In the earliest days of IOCC's operations, only minimal efforts

were made to give the Naskapi the education and training which they needed to compete for the relatively more available jobs. By the time training and education programs were offered to the Naskapi, employment opportunities had begun to decrease. Before construction on Kawawachikamach began, much of the training the Naskapi received resulted in frustration, as Naskapi youth were trained for jobs that did not exist in the Schefferville area. Furthermore, the completion of the construction phase of the new village, expected in late 1983, will be followed by unemployment for most of those Naskapi at work on the new village.

Language

After twenty-five years in Schefferville, where the predominant languages are French and English, approximately 8.5 percent of the entire Naskapi population spoke neither (Figure 1). Fully one-quarter of the workforce spoke only their own language, Cree; about sixteen percent of the work force spoke Cree and understood "a little English (sufficient to allow them to shop in Schefferville and conduct transactions at the bank); and sixty percent of the workforce spoke Cree and either English, French, or both fluently.

All Naskapi younger than twenty-five spoke English fluently (a few spoke French) while only thirty-eight percent of the Naskapi older than twenty-five spoke English, and thirty-seven percent of the older Naskapi spoke only Cree. In comparing men to women, it was found that more men than women spoke only Cree (thirty-three percent compared to fourteen percent), and more women than men spoke some English (twenty-two percent compared to ten percent). These figures reflect the higher participation rate of women in Adult Education classes, while many of the men were

Figure 1a

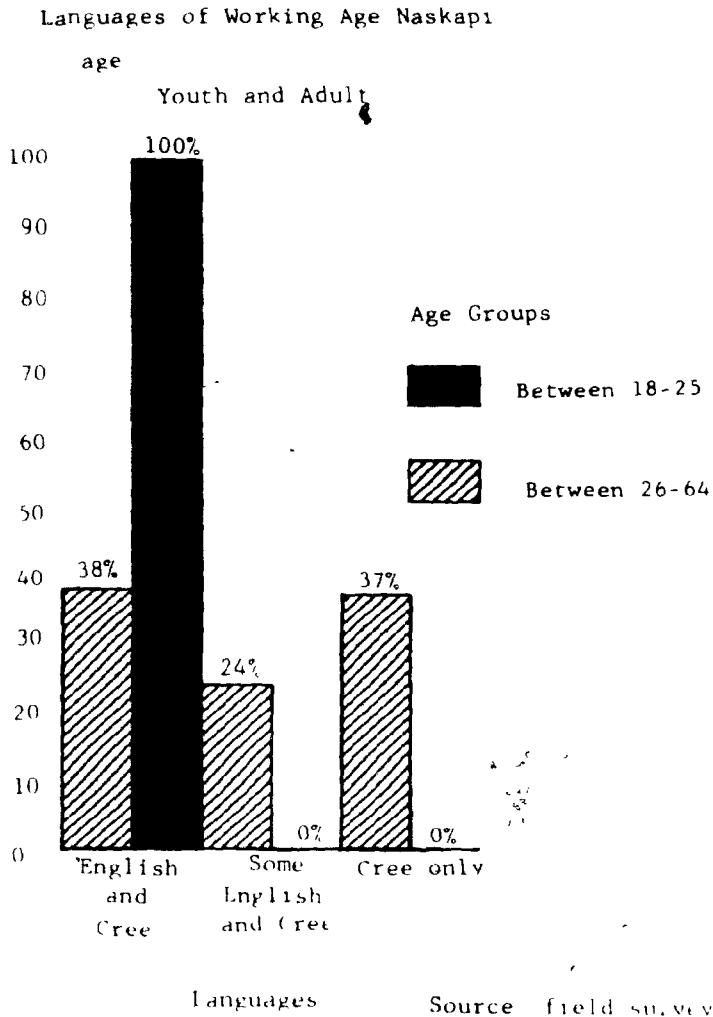
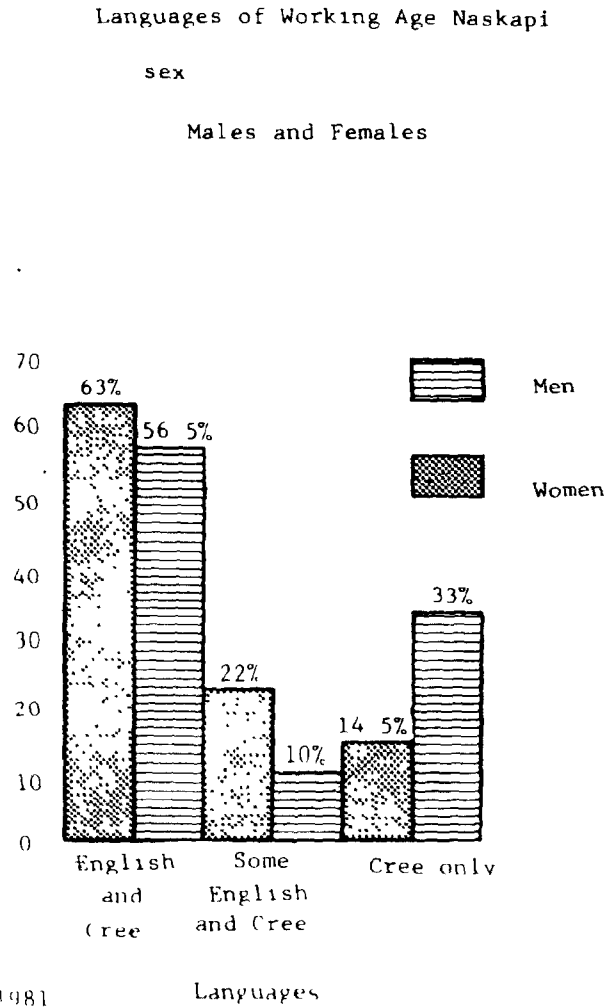


Figure 1b



occupied at work. Fifty-six percent of the Naskapi men spoke English and/or French fluently compared with sixty-three percent of the Naskapi women.

Unemployment Rate for the Naskapi

According to the Canada Employment and Immigration Commission:

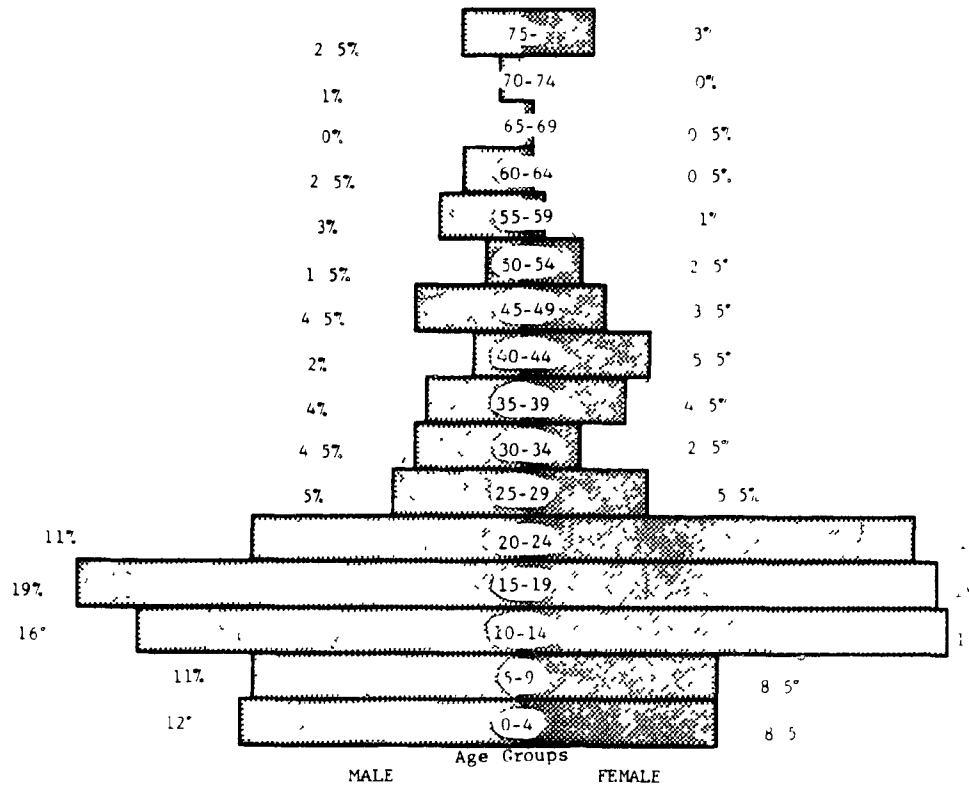
The working age population of status Indians will increase faster in the next ten years (1975-1985) than during any previous decade.

In 1981, the Naskapi labor force of men and women between the ages of eighteen and sixty-five numbered 191, or forty-seven percent of the total Naskapi population (approximately 403). A population pyramid for the Naskapi (Figure 2) shows that this group will probably increase dramatically in the decade after 1981: sixty-four women and sixty-seven men are expected to enter the labor force during that period. As these 131 Naskapi (thirty-three percent of the total population) become available for employment, seventeen older Naskapi will leave the labor force. This means that, given current trends, the Naskapi labor force will increase by approximately sixty percent between 1981 and 1991.

In 1981, the overall unemployment rate for the Naskapi was sixty-three percent: eighty-two percent for women and forty-four percent for men. Given these figures on the present unemployment rate (Table 3), the remarkable and sudden growth in the working-age group is alarming. With the closure of the IOCC mines in 1982-83 and the winding-down of construction on such major works as the Caniapiscau project, most major sources of employment will dry up for the Naskapi and they face serious problems of job availability if they are to remain in the Schefferville area. These problems are not new: the sixty-three

FIGURE 2

NASKAPI POPULATION - 1981



Source: Naskapi Band Council Records, 1981

percent unemployment rate was calculated for one of the highest peaks of employment, 1981, which the Naskapi experienced.

Barriers to Employment

Commonly discussed barriers to native employment include lack of qualifications (education, job training, language skills), absence of an industrial work ethic, and alcoholism. While each of these factors impinges upon the Naskapis' employment situation, we shall see that they fail to explain why Naskapi participation in the wage labor market was, and continues to be, minimal.

Table 3

Naskapi Unemployment Rates

	<u># of Working- Age Naskapi</u>	<u># of Working- Age Naskapi Employed</u>	<u>% of Working- Age Naskapi Employed</u>	<u>Unemployment Rate</u>
Women	98	18	18	82%
Men	93	52	56	44%
Total	191	70	37	63%

Source: Original data, field survey results, 1981.

Substantial expenditures have been made on skills improvement programs to increase native participation in wage employment, but in most cases these have failed to lower unemployment rates. Implicit in the policies of the Department of Indian Affairs and Northern Development (DIAND), is a notion that native populations need to be weaned from subsistence lifestyles to develop an economy based on wage labor.²⁴ Many Department of Manpower courses in job-training and life-skills are administered to native groups toward this end. Indeed, upgrading the qualifications of native people for wage employment has been seen as the answer to the unemployment problem.²⁵ However, in spite of recent efforts in job training and education, the unemployment rate for the Naskapi continues to be unacceptably high.

The Naskapi themselves point to more education, job training and a knowledge of English or French, as the solution which will lead them toward more and better jobs:

Unemployment problems are first from language
(sic)...also from alcohol.²⁶

Training and education can lead to better jobs, depending on the individual.²⁷

If people knew what they were doing, they'd get better jobs...Montagnais understand French and that's how they know what's going on, so they get jobs.²⁸

I envy some of the jobs I can't get because I don't know English.²⁹

In order to examine more precisely the commonly assumed relationships of education, language skills, and age (maturity), with the employment success of the Naskapi, these variables were plotted against an index of employment stability.³⁰ Correlations were also performed.³¹ No correlation was performed between training and employment stability because there were no reliable records of training experience. In none of the three variables was there a clear relationship with employment stability which might permit a conclusion of increasing employment success with higher education levels, improved language skills, or greater maturity with age. In fact, for the case of education, a negative correlation was found.

Age/Employment Stability

Employment stability was plotted against age to examine assertions about the "irresponsibility" and "unemployability" of Naskapi youth. The following quotes are taken from Naskapi respondents, a foreman, and a health administrator:

Younger people don't want to work; they quit after they get money.³²

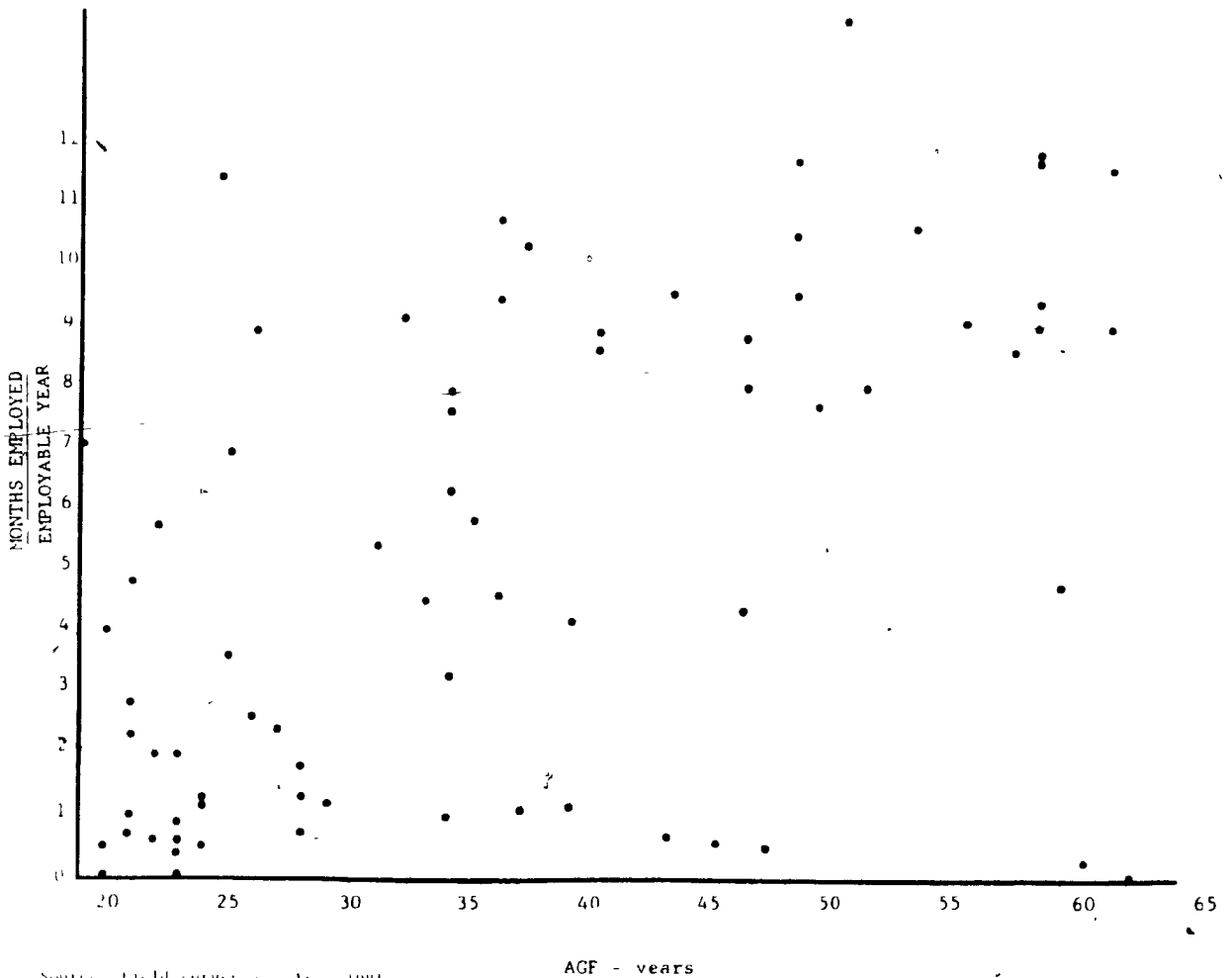
It's the young kids' fault (unemployment problems), loafing around.³³

The young aren't used to hard work so they quit easily, they're too soft.³⁴

The young Naskapi are a problem in town...they think they own the land.

There appears to be a general trend of increasing job stability with increasing age (Figure 3), and the two were found to be positively correlated. Of those twenty-five Naskapi men who were of working age (eighteen) or older when they arrived in Schefferville, only seven were found to have worked an average of less than half of each year that they were eligible to be employed, while eighteen worked more than half of each year. Of those forty-seven Naskapi men who turned eighteen since

FIGURE 3
AGE/EMPLOYMENT STABILITY



Source: Field survey results, 1981

their move to Schefferville, thirty-four worked less than half of each year and thirteen worked more. While this indicates a trend, there are notable exceptions. Five Naskapi in the older group had very low employment stability scores (less than one month worked for each year they were eligible to work) and three Naskapi in the younger group had extremely high scores (ten to twelve months per year).

Two factors account for a significant part of the correlation found between age and employment stability. First, most of the highly rated older men were those hired to permanent jobs at IOCC within a few years of their move to Schefferville. Large numbers of workers were needed for the primary construction phase at IOCC for the building of the town of Schefferville. One official at IOCC remarked that at times, it seemed as though every Indian in town was working for IOCC.³⁶ Also, these jobs were filled before there were any of the educational or language requirements that were later introduced for jobs applicants. The second factor which affects the correlation between age and employment stability is the fact that most of the Naskapi youth with extremely low employment stability scores came of working age after IOCC began to scale down their workforce in the 1970s, effectively closing the doors to new employees. These are institutional factors which have no bearing on any inherent age-related attributes which would cause one Naskapi age group to be more employable than another. In this light, comments about the behavior of Naskapi youth reflect more the frustration which the Naskapi experience about their lack of employment possibilities, and not the cause of their employment problems.

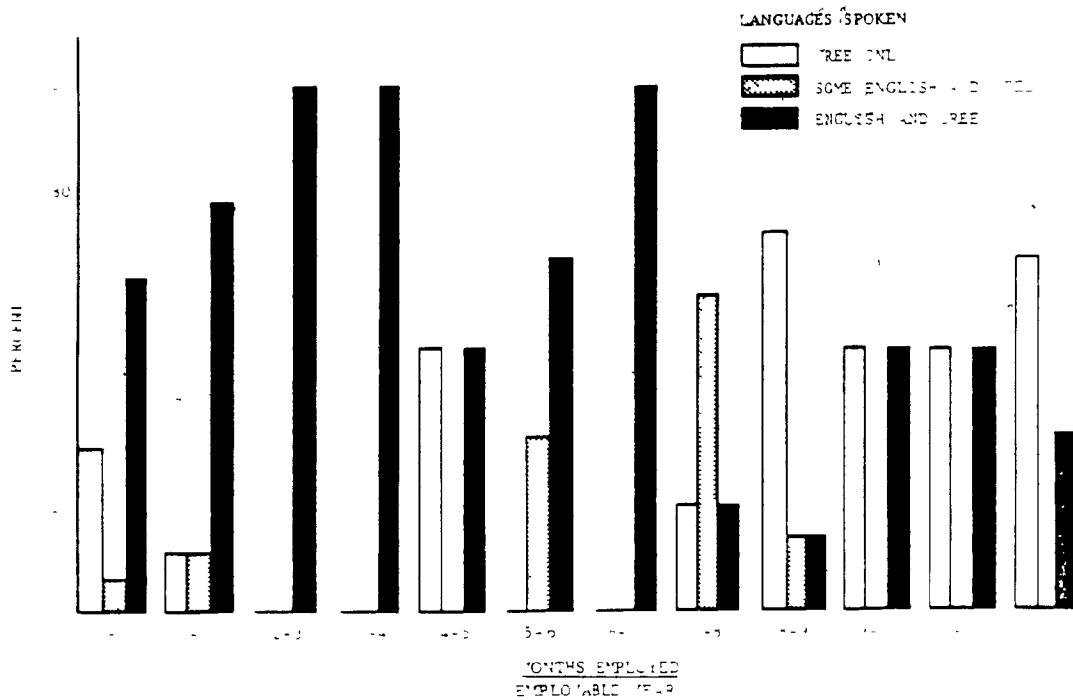
Language Skills/Employment Stability

No significant correlation was found between language skills and

employment stability (Figure 4). The majority of Naskapi who spoke English and Cree had low employment stability scores of between zero and seven. Most of these were Naskapi youth who received at least a moderate education, including English. The majority of Naskapi who spoke only Cree were those adults who were employed with some regularity (employment stability scores of eight and higher) and who had few opportunities to attend classes in English.

FIGURE 4

LANGUAGE/EMPLOYMENT STABILITY



Most of the Naskapi workers from IOCC who were interviewed, described their jobs as requiring no special skills, or less skill than they needed for hunting. Even though a knowledge of English or French could have made their social transition into the workforce less frustrating, a knowledge of these languages was not necessary for them to understand what was needed to fulfill the duties of a general laborer or a janitor. The following are quotes from Naskapi workers at IOCC who spoke little or no English or French, but who were, however, able to perform their jobs at the mine.

My foreman³⁷ speaks French, but I know what he wants.

When an Indian watches a white worker or boss, he learns the job in a month, but he still doesn't get the better jobs.³⁸

At first I didn't know what to do,³⁹ and I had to wait for the foreman for instructions.

If you only stick with a job long enough,⁴⁰ you can get to know what's going on and move up.

And, a superintendent at the company claimed that, "language is not a factor from our point of view because all of the Naskapi understand enough to know what to do."⁴¹ These statements, and the data which were collected on the relationship between language skills and employment success, indicate that these qualifications were not significant in keeping the Naskapi from getting jobs at IOCC or in hampering the performance of those who had jobs at the company.

If language skills did not significantly affect the Naskapis' employment success, then what role did language play in their employment situation? Some Naskapi believe they suffered for a lack of knowledge of English or French in obtaining good jobs at the Company and in

understanding their workplace surroundings.

Montagnais get better jobs before Naskapi because they speak French.⁴²

I've never felt any racism personally, but IOCC gives the better jobs to the whites because⁴³ the whites understand better what's going on.

At IOCC, I learned to drive a truck and they tried to get me a license to operate it so I could get promoted. But I said no because I don't understand enough English and I wouldn't understand the orders once I got to a mine.⁴⁴

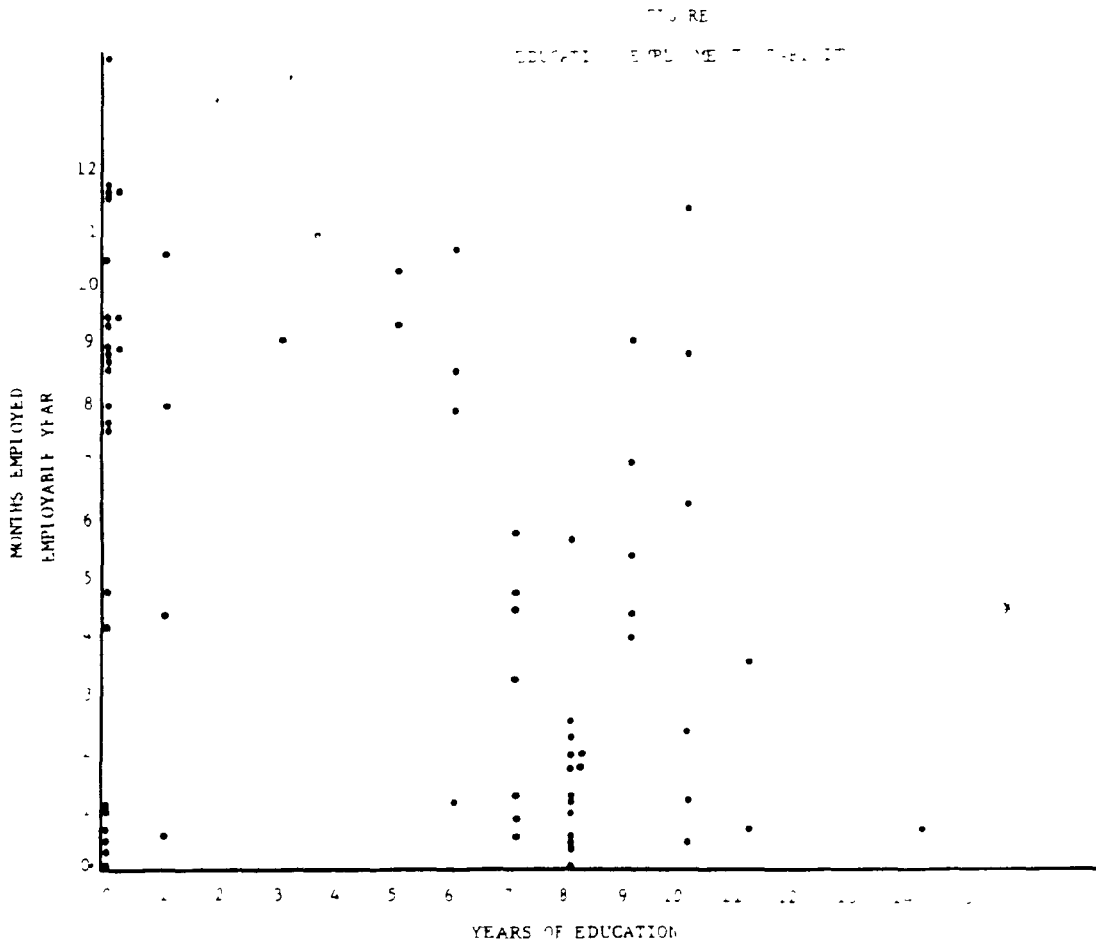
Some Indians can't understand English, but the white man knows what he's taught.⁴⁵

I worked at Caniapiscau and IOCC but I never got promoted because I couldn't understand English. I would like to be a driver, the best paying jobs are for those operating a machine.⁴⁶

These statements illustrate the anxiety the Naskapi experienced in adjusting to work for IOCC. They also show that the Naskapi, for the most part, did not realize what their structural position at IOCC was. While a knowledge of English or French could have alleviated many adjustment problems which the Naskapi experienced, a lack of language skills did not impede the Naskapis' ability to perform their job duties at the level of work available to them. It was not these qualifications which prevented the Naskapi from full participation in the labor force.

Education/Employment Stability

Plotting employment stability against education revealed a negative correlation; that is, employment success decreased with an increase in education levels (Figure 5). Of twenty-five Naskapi men who worked eight months or more out of every year in which they were of working age, fifteen received no education. Of thirty-two Naskapi men who worked four months or less of every employable year, twenty received



of the survey results 98.

at least eight years of formal education. Most of the Naskapi with high employment stability scores began working for IOCC in the late 1950's and early 1960's before there were any educational requirements. This small core of workers demonstrated their ability to do the work required of them and developed seniority which allowed them to keep their jobs even after the Collective Bargaining Agreement between the United Steelworkers of America and IOCC in the mid-1960's introduced a minimum requirement of a ninth grade education from all applicants. So, those Naskapi with the longest work records were successful in acquiring

seniority and in retaining their jobs without having received any education.

At the other end of the graph is the group of Naskapi men who were not of working age or who happened to be unemployed when stricter qualifications were set for job applicants. The Naskapi youth in this group, in spite of the educational and language skills which they developed in school, found it difficult to later obtain work at IOCC because of the corporate level decisions made by the Company to curtail production in Schefferville, which resulted in hundreds of layoffs for white, Montagnais and Naskapi workers alike. These young Naskapi were educated and trained for jobs that did not exist in or near Schefferville.

To the present, the development of a Naskapi workforce has radically changed the cultural and social ecology of this group, without providing the material basis for these changes in the form of a long term, stable economic base.

We have looked at language and education skills and found that they were not important factors in determining the employment success of Naskapi workers. Two questions arise: First, why do the Naskapi believe that improved language and education skills will lead to more job opportunities at higher levels on the job ladder? Those Naskapi workers who did not speak English or French, and those with no education were isolated from the better qualified workforce at IOCC, and these Naskapi expressed anxiety over their lack of qualifications in interviews. The tension created by these anxieties reflects a fundamental contradiction which the Naskapi face: they are expected to adjust to their lives as industrial wage laborers in conditions which are economically uncertain

and unstable, and at the same time the Naskapi must maintain their "traditional" subsistence cultural ecology, precisely because of their uncertain position as wage laborers.

Secondly, if these factors were not important, then what accounts for the concentration of unemployment and underemployment among the Naskapi? This question is treated at length in Chapter IV. However, before turning to a discussion of the historical and structural forces which have resulted in the Naskapis' high unemployment rate and employment problems, another important and commonly held explanation for these problems: the failure of the Naskapi to adapt to an industrial work ethic, is explored.

Adjustment Problems

Problems of adjustment experienced by native communities and by native workers involved in wage employment for large industrial firms have been widely discussed. Many of these communities undergo dramatic increases in alcoholism and drug abuse, violent crimes, marital problems, suicides, child and spouse abuse and a general demoralization of their inhabitants. More specifically, native workers themselves have often been described with reference to their problems of adjustment to an industrial work ethic. Lack of commitment to learning a job, lack of respect for machinery, resistance to setting a good work pace, malingering and moodiness, high turnover and poor work efficiency have all been pointed out in the literature on native employment.⁴⁷ However, this body of literature lacks an adequate analysis of the reasons for these problems of adjustment.

Many of these problems are evident among the Naskapi workforce. In discussing their initial adjustment to wage employment, one of the

most common problems for the Naskapi was that of working during "regular" hours.

Before, when we used to hunt, we didn't go out every day, didn't have to. But here, when the Naskapi got into the job market, we had to be at work every day. It was hard for me⁴⁸ at first because I didn't know what was going on.

Another common problem was adjusting to working for a boss. One Naskapi said that regular hours never bothered him, but that his biggest problem in adjusting to work at IOCC was learning to take orders from his foreman:

I would have a certain thing to do and the foreman would⁴⁹ give me two other things to do at the same time.

Working different shifts was also difficult for many Naskapi:

It was hard - working all the different shifts. Sometimes I would work on one job for a month³⁰ and then be rotated to another. I don't know why.

These problems of adjustment, shared by all newcomers to an industrial workforce, were particularly difficult for the Naskapi because the work ethic required of them at IOCC was radically different from the form of labor previously required by their subsistence economy. These problems were further exacerbated by the absence of job and language training and education during the Naskapis' early years in Schefferville, which contributed to their isolation in town and on the job.

Out of the contradiction between their subsistence cultural ecology and the relations of production which the Naskapi encountered in the resource extraction industry, evolved a sub-culture which set Naskapi workers apart from the rest of IOCC's workforce. That the Naskapi were culturally different from the other workers has been used

to explain their lack of incorporation into the workforce at IOCC, and the resulting difficulty of training them to become a valuable segment of the workforce. However, these cultural differences between the majority of white workers at IOCC and the Naskapi did not significantly interfere with their ability to work in the mining company's operations.

In fact, some foremen stated in interviews that many of their best workers were Naskapis. Furthermore, most of the foremen interviewed commonly agreed that although the Naskapi worked more slowly than the white workers, their work was steadier and more careful, and the Naskapi took greater pride in their work. Interviews with IOCC workers revealed that what are commonly believed to be adjustment problems were not a workplace phenomenon in the Naskapis' case, but were cultural and social adaptations. For example, one foreman, who worked with the Naskapi for twenty-five years, as a fellow worker and then as a foreman, described his Naskapi workers as well adapted to their working situation, though socially isolated:

They know what to do without orders...you have to trust them, if they know you trust them, it's O.K.. They work more carefully than whites...They are not shy; Naskapis and whites talk together on the job. But, socially, they don't mix. At lunch, they want to talk with themselves. At lunch, my Indians make a little fire by the road⁵¹ and have lunch instead of going to the lunch-room.

The sub-culture of the Naskapi workers which developed, revolves around their subsistence activities. It does not signal the failure of the Naskapi as workers, but is rather a necessary response to the nature of the industry in Schefferville: because of the seasonality and instability of work at IOCC, and because the Naskapi occupied the lowest

paying positions, they found it necessary to maintain close ties to their traditional mode of subsistence.

In addition, the Naskapi were drawn to the lifestyle associated with subsistence activities as a way to relax away from the stress of wage employment and maintain links with their past traditions. Bush food was not only a necessary supplement to their income, particularly in the winter months when many IOCC workers were laid off, but it was also considered more nutritious and better tasting than store bought food by all Naskapi adults.⁵²

The Naskapis' subsistence activities accounted for much of the absenteeism among Naskapi workers. Several foremen who worked with Naskapi explained that their biggest problem with Naskapi workers was that they missed shifts during hunting season and before and after weekend hunting trips. While some foremen expressed annoyance at the high absenteeism of their Naskapi workers, others valued the quality of work of their Naskapi workers and adjusted to the needs of the Naskapi to remain active in their subsistence economy by giving time off for hunting. One foreman who considered his Naskapi workers to be among his best, claimed success at teaching them to notify him before missing a few days for hunting.⁵³

Another way in which subsistence activities affected the Naskapis' wage labor experiences was in their attitude toward overtime. While sharing overtime equally at IOCC was important among white workers, "Naskapis are not overtimers."⁵⁴ Declining to work overtime was seen by many IOCC workers and foremen as an adjustment problem. However, for the Naskapi, evenings and weekends, rather than opportunities to work extra hours for higher wages, were seen as

opportunities to hunt and fish, and to return to their familiar working situation with no time schedules and no bosses.⁵⁵

The literature on the adaptation problems of native northerners involved in wage employment, previously cited, indicates an intimate connection between participation in wage labor and alcoholism and drug abuse. The Naskapi have experienced these problems to a serious degree. The conflict between the expectations of their wage labor situation and those of their subsistence economy has certainly played an important role in these problems. Although a full study of the problems of alcoholism and drug abuse in Naskapi society is beyond the scope of this thesis, further research may be expected to indicate that these problems are more a result than a cause of their employment problems.

Terminations

As a further aid to understanding the causes of employment instability among Naskapi workers⁵⁶, the reasons for their terminations were explored (Table 4). A termination is defined as the ending of a worker's job for either structural or personal reasons. Structural reasons reflect the unstable nature of northern resource employment and include the completion of a project (such as government sponsored research projects), the ending of a seasonal job (guiding during hunting season and summer work in Caniapiscou are examples), and lay-offs in periods of decline (the fluctuating needs for labor at IOCC were the source of most lay-offs). Personal reasons for terminations represent decisions made by individual Naskapi workers and the problems of adjustment which were discussed earlier. These include the changing of jobs to more attractive alternatives, illness (alcoholism accounted for most of these terminations), voluntary terminations (these include

quitting and cases in which Naskapi missed an excessive number of shifts, usually while away on hunting trips), and firing. The "uncertain" category in Table 4 represents the sum of answers which were either unclear to the interviewer and the interpreter, answers which were thought to be suspect (in a few cases, more than one source contradicted the answer of a Naskapi respondent), and cases in which the respondent did not understand why he was terminated.

Table 4
Reasons Given for Terminations of Naskapi Workers

<u>Reason</u>		<u>Total</u>	<u>Percent</u>
1. Environmental	End of Project (50) Seasonal (72) Lay-off (42)	164	49
2. Individual	Left for Other Job (12) Illness (10) Voluntary Termination (43) Fired (32)	97	29
3. Uncertain	(73)	<u>73</u>	<u>22</u>
		334	100

Source: original data, field survey results, 1981.

Table 4 shows that of the total terminations of Naskapi workers, the majority were for structural reasons and were beyond the Naskapis' control. Fully forty-nine percent of the terminations were attributable to the unstable nature of northern employment. This is in contrast to

only twenty-nine percent of the terminations which resulted from problems of adjustment or other personal reasons.

While it was shown that the Naskapi did not become habituated to an industrial work ethic, the sub-culture which they maintained must be seen as their particular adaptation to an inherently unstable industry in an area with no solid economic base. The differences which set the Naskapi apart from other workers at IOCC did not significantly affect their ability to perform the duties of their jobs. And, the Naskapi proved to be a valuable, if different, segment of IOCC's workforce.

In sum, Naskapi workers were restricted to token employment at the mine, primarily in the form of temporary, hard labor jobs at the lowest levels of the job hierarchy. Elsewhere, Naskapis who worked as guides and slashers were limited to highly seasonal work and the majority of the remaining employment opportunities were generated by the Naskapi Band Council. As was demonstrated in this chapter, arguments about lack of qualifications and adjustment problems are misplaced explanations for the concentration of unemployment and underemployment among Naskapi workers. Furthermore, the contradiction between the need for the Naskapi to become incorporated into the industrial, wage-earning workforce and their need to maintain their subsistence activities dictated that Naskapi workers could only partially be drawn into the wage employment option.

As a result of the unstable nature of employment in northern resource towns, and because the geographic isolation of settlements in northern regions prevents alternative employment opportunities, native groups, like the Naskapi, are forced to adjust, adapt and reproduce themselves under difficult and unstable conditions.

Footnotes

1. Brody, H., "Ecology, Politics and Change: The Case of the Eskimo," Development and Change, London and Beverly Hills: SAGE, Vol.9,1978, pp.21-40.
2. These studies include the following: Beveridge, J., "The Rabbit Lake Commuting Operation: A Case for Mutual Adaptation?," Conference on Commuting and Northern Development, Saskatoon, Saskatchewan, 1979; Bone, R.M., "The Final Report of the Cluff Lake Board of Inquiry: Socio-Economic Effects on Northern People," Musk-Ox, Vol.24, 1979, pp.30-43; Kupfer, G. and C.W. Hobart, "Impact of Oil Exploration Work on an Inuit Community," Arctic Anthropology, XV-1, 1978, pp.58-67; Stevenson, D.S., "Problems of Eskimo Relocation for Industrial Employment," Northern Science Research Group: Department of Indian Affairs and Northern Development, 1968; and Williamson, R.G., "The Notion of Cultural Commuting: Evaluation of Short-Term Feasibility," Conference on Commuting and Northern Development, Saskatoon, Saskatchewan, 1979.
3. See Harper, F., The Friendly Montagnais and their Neighbors in the Ungava Peninsula, Kansas: University of Kansas, 1964; and Henriksen, G., Hunters in the Barrens: the Naskapi on the Edge of the White Man's World, Newfoundland Social and Economic Studies No. 12, Institute of Social and Economic Research, Memorial University of Newfoundland, 1973.
4. Quote of A.P. Low (1898), in Harper, op. cit., p.32; also see Cooke, op.cit.
5. Quote of HBC manager in Cooke, op. cit., p. 21.
6. According to Cooke, traders often gave out only as much ammunition as was absolutely necessary, risking insufficient supplies for the Naskapi and consequent starvation. This was because the Naskapi lost their incentive to trap with plentiful supplies of ammunition and instead, hunted for caribou. Portions of a letter from William Kennedy to Lord Elgin as testimony before a Select Committee of the House of Commons in 1857 are quoted in Harper (op. cit., p.29):

Starvation has, I learn, committed great havoc among your old friends the Nascopies (sic), numbers of whom met their death from want last winter, whole camps were found dead, without one survivor to tell the tale of their sufferings; ...At Fort Naskopie (sic) the Indians were dying in dozens by starvation...(blank) says it was (blank)'s fault in not giving them enough of ammunition."

7. See Hammond, op. cit., Harper, op. cit., and Cooke, op. cit.
8. Harper, op. cit., p.37.
9. Quote of Dr. P.E. Moore, Director of Indian Health Services in Hammond, op. cit., p. 4.
10. White, Reverend Gavin D., Schefferville, letter dated August, 1957.
11. Ibid.
12. Laurin, Pauline, Quebec Zone Supervisor of Nursing, Indian Health Services, in a letter to Zone Superintendent (Quebec Zone), Indian Health Superintendent, Quebec 4, P.Q., p.3; file number #2-9-1, /17-1, October 1, 1957.
13. Billard, Raynald, Assistant Seven Islands Agency, Schefferville, Quebec, General Report - Chimo Band - Knob Lake, December 12, 1956, p.3.
14. These stages are described in Riffel, J.A., Quality of Life in Resource Towns, Ottawa:Center for Settlement Studies, University of Manitoba, 1975.
15. Interview, IOCC respondent, Schefferville, Sept.8, 1980.
16. Interview, Naskapi respondent, Schefferville, Aug.7, 1980.
17. Ibid., Aug. 15, 1980.
18. Ibid., Aug. 28, 1980.
19. Ibid., Sept. 4, 1980.
20. Ibid., Aug. 6, 1980.
21. The Naskapi workforce is defined as those Naskapi men and women between the ages of eighteen and sixty-five.
22. Plans for this village included sixty family dwellings, two apartment buildings, a school, a church, a dispensary, a community center and other buildings for municipal services and businesses. Completion of construction was planned for late 1983.
23. Employment and Immigration Canada, The Development of an Employment Policy for Indian, Inuit and Metis People, n.d.
24. LaRusic, I., Issues Relating to Employment in the North, Report to the Northern Research Division, Department of Indian and Northern Affairs, December, 1976.

25. Ibid.
26. Interview, Naskapi respondent, Schefferville, Sept. 3, 1980.
27. Ibid., Aug. 20, 1980.
28. Ibid., Aug. 19, 1980.
29. Ibid.
30. Employment stability is a numerical value which represents an average of the number of months a worker was employed each year the worker was eligible to work (between eighteen and sixty-four years of age). The highest value possible is 12 (12 months employed/1 'employable' year). This measure does not discriminate reasons for instability and includes quitting, firing, lay-offs, seasonality of work projects and other reasons.
31. Spearman's rank correlation coefficient, r_s , measures the degree of association between two paired variables. Rank order is used to determine the association, not the actual values themselves. This measure is commonly used in geographical work and was chosen here because of its value in determining the degree of correlation in cases where there are sets of recurring values within a data set (i.e., in Figure 5, Age/Employment Stability, there are different job stability scores for several Naskapi of the same age).
32. Interview, health administration respondent, Schefferville, Sept. 17, 1980.
33. Interview, Naskapi respondent, Schefferville, Aug. 19, 1980.
34. Ibid., Feb. 3, 1981.
35. Interview, IOCC respondent, Schefferville, Sept. 1980.
36. Ibid., Sept. 8, 1980.
37. Interview, Naskapi respondent, Schefferville, Sept. 3, 1980.
38. Ibid.
39. Ibid., Aug. 7, 1980.
40. Ibid., Aug. 19, 1980.
41. There was a wide discrepancy in the opinions of foremen and non-native workers about the role played by language in the Naskapis' employment problems. Statements about the role of language closely followed individual attitudes towards the Naskapi and their place in IOCC's job hierarchy.

42. Interview, Naskapi respondent, Schefferville, Aug. 28, 1980.
43. Ibid., Aug. 20, 1980.
44. Ibid., Aug. 19, 1980.
45. Ibid., Aug. 21, 1980.
46. Ibid.
47. See, for example, Berger, T., Northern Frontier-Northern Homeland: The Report of the Mackenzie Valley Pipeline Inquiry: Vol.1, Ottawa: Supply and Services Canada, 1977; Ervin, A.M., "Conflicting Styles of Life in a Northern Canadian Town," Arctic, Vol.22 (1969), pp. 90-105; Hobart, C., "Commuting Work in the Canadian North: Some Effects on Native People," paper presented at the conference on Commuting and Northern Development, Saskatoon, Saskatchewan, 1979; Klausner, S.Z., and E.F. Foulks, Eskimo Capitalists, Oil, Politics and Alcohol, Allenheld and Scram: N.J., 1982; Riffel, J.A., Quality of Life in a Resource Town, Center for Settlement Studies, University of Manitoba, Ottawa, 1975; Stevenson, D.S., "Problems of Eskimo Relocation for Industrial Employment," Northern Science Research Group: Department of Indian Affairs and Northern Development, 1968; Usher, P., "Geographers and Northern Development: Some Social and Political Considerations," Alternatives, Vol.4, No.1, 1974, pp.21-25; and Wenzel, G., "A Changing Relationship," The Canadian Nurse, Vol.74, No.9, 1978, pp.12-15.
48. Interview, Naskapi respondent, Schefferville, Aug. 15, 1980.
49. Ibid., Aug. 19, 1980.
50. Ibid., Sept. 4, 1980.
51. Interview, IOCC respondent, Schefferville, Sept. 1980.
52. While adults expressed a clear preference for bush food, many Naskapi children have come to prefer store bought food:
"My wife and I eat most of the country food. My kids don't like it, don't even like the scent of it cooking on the stove."
Interview, Naskapi respondent, Schefferville, Aug. 20, 1980.
53. Interview, IOCC respondent, Schefferville, Sept. 1980.
54. Ibid., Sept. 1980.
55. Also, many non-native (50-60%) workers at IOCC maintained a home away from Schefferville to which they returned after a few years of hard work for the Company. For these transient workers, the difficult and unpleasant working conditions at IOCC and the long hours of overtime were temporary, and were made bearable by high wages and the promise of a future somewhere else. However,

Schefferville was the permanent home for most Naskapis, and their future.

56. Table 4 represents total terminations of employment for the Naskapi. However, employment records on terminations were incomplete for the first ten to fifteen years of IOCC's operations in Schefferville and memories were uncertain on employment terminations in these early years. Therefore, Table 4 only demonstrates general trends.

Chapter IV

The Labor Process and the Marginal Position of the Naskapi

It was shown in Chapter III that one factor influencing the Naskapis' participation in wage employment was the boom and bust nature of resource exploitation, as in the case of IOCC. It was also demonstrated that there were no significant alternative employment opportunities for the Naskapi either during IOCC's operations or after the mines were closed.

In addition to an inherently unstable employment situation, the Naskapi who worked at IOCC occupied a marginal position within the labor force. This chapter will show how we may begin to understand the Naskapis' marginal participation in wage labor at IOCC with the help of recent literature on the labor process.

Developments in the Labor Process

The concentration of marginal employment among particular segments of the labor force, such as the Naskapi, arises out of a labor process which is hierarchical and segmented in nature. The historical development of this labor process has become an important theme in the literature in attempts to understand how segmented labor markets and job hierarchies have come about, and how they shape the employment relationship. Two major developments can be identified in the literature which bear upon the segmentation of the labor market and the resulting concentration of marginal employment. They are the separation between the conception and the execution of laboring tasks, and the deskilling of labor. These have effected increases in the productivity

and intensity of labor in response to the competition between capitals and to the basic conflict between capital and labor. These developments are discussed here separately for clarity, though they are interrelated and must be seen as parts of the same process.

The Division Between Conception and Execution

One major tendency discussed in the literature on the development of the capitalist labor process is the separation between the conception and the execution of laboring tasks.¹ This is not simply a division between intellectual and manual labor, since each contains elements of the other. In a general theoretical sense, those who produce scientific and technical knowledge are separated from the mass of unskilled and semi-skilled workers, who labor as a part of the collective labor process and whose relationship within the production process is specified in advance.²

This is in contrast to the earlier skilled craftsmen who possessed knowledge of the entire production process and obtained the full range of needed skills during their apprenticeships; these craftsmen effectively controlled their immediate working conditions. With the division between conception and execution, control over the labor process as a whole lies with those who control and produce the science and technology of production.

The Deskilling of Labor

Another aspect of the transformation of the capitalist labor process is the deskilling of labor.³ As the conception and execution of laboring tasks become separated, each step in the labor process and its mode of execution can be specified in advance and therefore controlled. As discussed above, knowledge of the labor

process as a whole becomes concentrated as the exclusive province of management, while manual labor becomes increasingly routinized and mechanized.

Previously, highly-skilled, well-paid craftsmen participated in the production of a commodity in a unified production process, from beginning to end. As labor became increasingly deskilled, the production process was broken down into discrete, isolated tasks, able to be performed by unskilled, low-wage machine operatives.⁴

Deskilling here does not refer to the loss of skill which a task requires. Rather, it indicates a loss of control and autonomy, which workers previously possessed, as they become increasingly interchangeable in a labor process which can be standardized, performed at maximum speeds with a minimum of porosity in the working day.⁵

Labor Market Segmentation

These tendencies in the labor process toward the separation between the conception and execution of laboring tasks and toward the deskilling of labor have resulted in the formation of labor markets which are highly segmented. The impact of labor market segmentation on the concentration of marginal employment among certain groups such as the Naskapi, will be shown in this chapter.

The discipline of hierarchy is necessary to allow capital to enforce appropriate speeds, intensities and quality, and labor market segmentation has been used as a strategy of control by managers. However, as we will see, workers have also benefited from segmented labor markets which have become a major issue in negotiations between labor and management.

In a substantial body of literature, labor market segmentation is

viewed as a result of the conflict between capital and labor in the continual transformation of the social organization and the instruments of production.⁶ One of the most important of these works is Labor and Monopoly Capital, by Braverman,⁷ and it forms a base upon which successive works have built. Braverman explains the transformation and degradation of labor in capitalist societies as basically determined by the imperatives of capital accumulation. These imperatives include the need to reduce the value of labor by substituting simple for complex labor and the need for capitalists to secure control of the labor process. Taylorism and scientific management, and mechanization, figure prominently as the means by which labor is "deskilled." And, control over the conceptualization, pace and direction of work is gradually transferred from workers to management.

In another important contribution to the discussion on labor market segmentation, Stone and others⁸ critique the commonly made assertion that labor market stratification is a technical response to the increasing complexity of jobs. To the contrary, they argue, it is a process which has developed to counter the increasing homogeneity and simplicity of jobs which created the conditions for unified worker opposition within a homogeneous workforce where old divisions between skilled and unskilled workers were dissolving. In Stone's example of the iron and steel industry, job ladders were set up precisely at the time that skill requirements were diminishing as a result of new technology. Management used these ladders and other labor market institutions to divide the workforce into artificial segments, in competition with each other for jobs higher up the ladder.

However, other writers have criticized this work as viewing the

development of the economic structure through the motivation and actions of managers only. Rubery,⁹ among others, argues that workers use job ladders and skill demarcations, typically seen as tools of the managerial class, to differentiate themselves from potential competitors in an increasingly homogeneous job market, where workers are easily interchangeable.

Friedman¹⁰ presents a somewhat more developed argument that mechanization and the accompanying segmentation of the labor market controls labor within a broader scheme of managerial strategies. By subduing the individual incentive of workers and treating them essentially as machines, the positive, creative aspect of the variability of labor power is foregone. Therefore, while these strategies are used with workers whose skills are easily replaceable, another set of strategies is necessary for workers whose skills are considered essential to a firm. These strategies treat workers as if they were participating in a process which reflects their own needs, in which work is made more interesting and decision-making freedom is increased. Each of these sets of strategies is used with different groups of workers on the basis of their relative importance to firms and their relative strengths of resistance; and the divisions in the working class which arise from these different managerial strategies of control may follow along divisions of race, sex, or ethnicity, as was the case at IOCC.

The relationship between labor market segmentation and capital location has recently been the subject of discussion by geographers, most notably, Storper and Walker,¹¹ and Massey and Meegan,¹² referred to in the introduction to this thesis. These authors claim

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that labor market segmentation is inherently a geographic process. With the separation of job function, in the context of a widening hierarchy of jobs and increasingly segmented labor markets, workers who perform different and separate tasks can be spatially separated. And, the standardization of production facilities has made the decentralization of industries possible, from an urban core with skilled workers to urban, national or international peripheries with unskilled workers.

"Because labour demand and supply remain differentiated across industries and places, the geographic distribution of industry is literally a spatial division of labour."¹³ This spatial division of labor is a spatial division within labor. The distribution of labor segments among industries, occupations, and locations is a basic source of class differentiation which may follow along ethnic lines.

The purpose of the foregoing account has been to show that there has been a broad, historical development of the labor process, culminating in the hierarchies and welfare strategies which we see today. It is important to view these as historically specific, and not as technical or natural responses to problems which labor poses for capital. Such problems of labor shape the continual transformation of the labor process in capital's drive to reduce the strength of, and its dependence upon, labor. This becomes particularly interesting in the case of northern resource communities where labor poses special difficulties for capital of control, supply and turnover. The rest of this chapter explores these problems in the context of the north, how they have influenced the development of hierarchies and welfare strategies from the perspectives of both management and labor, and how the Naskapis' employment experience was consequently shaped.

Problems of Labor in Northern Mining

Worker Control

Workers in the iron ore mining industry in Canada, as in Canadian mining in general, have historically possessed a large degree of control over the labor process.¹⁴ The earliest Canadian miners were petty commodity producers, working for themselves in a process which was characterized by a low level of technology, low capitalization, and easy access to markets. However, this historical moment of petty commodity production in Canadian mining was brief¹⁵ and the labor process underwent several transformations with tumultuous consequences for worker-management relations. The labor process was first transformed with the penetration of capitalist production by American interests as ore became an industrial staple, beginning in the late 1800's.¹⁶ In particular, markets for iron and steel expanded during the 1870's primarily due to the rapid growth of the railroads, but also to supply the construction and shipbuilding industries.¹⁷ During these early stages of capitalist production in Canadian mining, mine owners contracted work by auctioning jobs to groups of miners. And, ore was extracted by means of a tribute system based on piecework, by these independent groups of miners who largely controlled their own working conditions.¹⁸

After a brief period of relative calm in the mining industry during the first half of the 1900s, the labor process in Canadian mining was again transformed: widespread mechanization accompanied the expansion of the Canadian mining industry into one of the world's largest base metal producers in response to the United States' need for

base metals during World War II and the Korean War.¹⁹

Since then, Canadian mining, and specifically iron ore mining, has become characterized by a high degree of concentration, capital intensive operations, foreign control under which little of the ore is processed in Canada, and export orientation (as was discussed in Chapter II). The highly competitive nature of iron ore mining on an international scale has made control over the labor process, and over the workforce extremely important.

Although presently, Canadian mining is entirely mechanized, holdovers in worker control from the early years of this century remain. Two examples are the bonus system and the loose supervision which has traditionally characterized Canadian mining, where miners often have contact with their foremen as little as once or twice a shift.²⁰

The labor force has strongly resisted attempts by managers to rationalize the production process, and this resistance has forced accommodating changes within the labor process.²¹

Labor Supply

Also, as a result of the boom and bust nature of mining, particularly in northern communities dependent upon world markets, fluctuations in the demand for labor have caused problems of labor supply for capital. In boom periods, there are serious difficulties in obtaining an adequate supply of skilled labor, particularly in remote areas like Schefferville.²² In periods of low demand, companies must reduce their labor forces through massive lay-offs, resulting in strained worker-management relations.

Labor Turnover

Another serious problem for capital in northern mining communities

is the high labor turnover which is characteristic of these isolated resource towns where work is difficult, unpleasant, and dangerous. In these situations, high turnover is expensive for companies in terms of recruitment and training costs, and also produces an unsettling effect on workers.²³ Costly measures to produce artificially high standards of living are established to encourage the settlement of workers and their families in these resource towns. However, in their policy decisions, companies are forced to balance the need to reduce the high costs of labor turnover with the need to prevent the development of large, stable, cohesive groups within the labor force, which are able to press for demands from management on the basis of solidarity.

Thus, reducing the strength of the labor force, while a priority for all industries, is particularly difficult in northern resource industries such as IOCC. And, the historical development of solutions to problems of labor control, labor supply, and turnover have influenced the structure of the labor process in these industries. Mechanization, job hierarchies, strict lines of procedure, and managerial strategies to control worker sentiment, are all features of the labor process at IOCC which have contributed to the effective control of the labor force. The ways in which these influenced the participation of the Naskapi in the labor process at IOCC are now examined.

The Naskapi Segment of the Labor Force

Mechanization

Mining in Canada was, for the most part, a labor intensive industry until the 1960's, when the production process in mining underwent rapid mechanization and automation.²⁴ Such advances in

technology have occurred as part of a complex global system of production relationships and in turn, have shaped the social relations within productive activity. With mechanization, the previous distinctions between skilled and unskilled miners have dissolved, and a category of semi-skilled machine operators has emerged who primarily serve a patrol and maintenance function, reporting problems to, and receiving directions from, centers of control. Skilled work has shifted from the workplace to scientific research and development labs which are, for the most part, located outside of Canada;²⁵ and the labor intensive activities of skilled Canadian workers have been replaced by imported, capital-intensive equipment. This trend is reflected in the gradual increase in the proportion of salaried, supervisory and managerial workers to hourly, union workers at IOCC, which rose to 3:1 in 1981, according to the United Steelworkers' Union.

Advances in technology have set up the possibility for job hierarchies, strict lines of procedure and the accompanying set of welfare strategies which have been used by both management and workers. A look at each of these will provide us with a way of analyzing the ongoing structure of jobs and the related participation of the Naskapi.

Job Hierarchies

Job hierarchies and associated internal labor markets have developed as a complex of strategies out of the conflict between management and labor. Jobs are distinguished from others higher up or lower down the job ladder by status, working conditions and earning differentials. As we learned from Stone, job ladders in the iron ore mining and steel industry were set up at a time when skill requirements were decreasing as a result of new technology, and indeed, skill plays a

small part in determining the weighting scheme which rates jobs according to the following factors: ²⁶

Pre-employment training...1.0	Mental skill.....3.5
Manual skill.....2.0	Employment training and experience.....4.0
Responsibility for safety of others.....2.0	Responsibility for tools and equipment.....4.0
Hazards.....2.0	Responsibility for operations...6.5
Physical effort.....2.5	Responsibility for materials...10.0
Mental effort.....2.5	
Surroundings.....3.0	

The stratification of jobs has become an issue for negotiation between labor and management, and has effectively contributed to the smooth operation of the production process. For managers, job hierarchies have two important effects on labor: first, workers develop a sense of vertical mobility; and second, the workforce is artificially divided into segments in competition for jobs higher up the job ladder. These effects were particularly important in a single enterprise town such as Schefferville. Because workers in the town were employed by one company, the potential for the development of a cohesive, mutually reinforcing workforce which could, as a solid group, press for demands from the company, was great.

The stratification of jobs is also used by labor. As we have noted, mechanization and deskilling have made workers more interchangeable in an increasingly homogeneous job market. Workers have used job ladders and skill demarcations to differentiate themselves from potential competitors and to improve their status and job security as they move up the job ladder.

Job hierarchies and internal labor markets have set up the possibility for discrimination by restricting entry ports to the lowest, unskilled positions, and by reserving privileges of job security and

advancement for the internal workforce.²⁷ Entry level jobs are governed by screening procedures, such as education, training and language skills, and competency tests, even though the causal relation between these screening variables and job performance is not well defined.²⁸

Procedure

Job structures are also formalized into a system of procedure which is spelled out in the Collective Bargaining Agreement (CBA)²⁹ and agreed to by the company and the union. The CBA gives the company the right to discipline workers for just cause, and penalties are assessed on the basis of misconduct and unapproved absences.³⁰ This system diminishes the arbitrary powers of supervisors and foremen, and contributes to the smooth exercise of managerial authority.³¹

The counterpart of the penalty system is the system of grievances, and the right of workers to grieve violations of their rights by the company through the union is also provided for in the CBA. In fact, many grievances are lodged in response to penalties assessed against workers. The grievance procedure defuses potential conflicts and deals with them in a legalistic manner, and in this way, complaints by workers tend to be levelled at the "system of procedure" rather than directly at managers.³²

Welfare Strategies

Companies manipulate the sentiment of their workforces by using a variety of managerial strategies. As we saw in Friedman's work, different sets of strategies of control tend to be aimed at different segments of the workforce according to variations in the strength of worker resistance and in skill levels.

Peripheral workers, unskilled and poorly organized, are subjected to a high degree of mechanization and a greatly extended division of labor. However, by treating workers essentially as appendages to machinery, and by capitalizing on the interchangeable nature of their skills, capital continually subdues the individual interests of workers. In order to compensate for a high degree of alienation, wages may be elevated. However, in any case, the positive, creative, individual aspect of labor is diminished.

In order to combat some of the undesirable effects of this kind of control, welfare measures have developed, through management-labor negotiations, which give the workforce a sense of importance and belonging to the company. The ideal result is to have workers behave as if they were participating in a process which reflected their needs. However, welfare measures do not eliminate alienation, they only distract workers' attention from it. Pension plans, company-built recreational facilities, subsidized fuel and housing, high wages, and annual paid flights south were especially important in an isolated company town like Schefferville, to give the workers a feeling of having a stake in their company.³³ These incentives were largely aimed at skilled, external labor markets in Southern Canada and Europe and contributed to the creation of a workforce of imported, southern educated, southern trained workers.

The Naskapi

The preceding discussion on job hierarchies, procedure and managerial strategies can be further elaborated to examine the Naskapis' participation in the labor process. Though presented here separately, these factors have influenced the Naskapis' employment experience as

interconnected relations. The job hierarchy provides a structure which allows for vertical movement up the job ladder for some segments of the labor force, while also allowing for the structural discrimination of other segments. This hierarchy is formalized in a system of procedure and managerial strategies. The following will show that the Naskapi were effectively excluded from significant participation in the labor process through the nature of the employment structure, and that their logical strategy of continued subsistence activities in the face of frequent lay-offs and employment in the lowest level jobs actually worked against them.

Mechanization and deskilling affected the types of jobs which were available to Naskapi workers. The relatively loose structure of jobs at IOCC in the early years of their operations in Schefferville allowed Naskapi workers to receive basic "on the job" training, necessary for heavy equipment operation, informally from their co-workers.³⁴ With mechanization, and the development of strict rules about qualifications, certification and competency tests to operate new machinery, these Naskapi workers were forced out of heavy equipment operating jobs, into their first positions at IOCC as janitors and general laborers. In the absence, until the mid-1970's, of basic language, training, and education programs tailored to the needs of the Naskapi, they remained at these levels, unable to meet the strict qualifications for higher machine operating positions, which many had held earlier. While earlier participation in education and training programs would have helped the Naskapi to meet certain qualifications for higher level jobs, it is not clear that meeting these qualifications would have necessarily resulted in their employment in these higher positions.

The new technology which resulted from mechanization and automation made the development of job hierarchies possible. These job hierarchies and the associated internal labor markets have restricted marginal employment and unemployment to certain segments of the labor market. In the case of the Naskapi, this occurred in two ways: at the point of entry level jobs and at the point of promotions.

It is at the entry level of the job hierarchy that most Naskapis were formally eliminated from employment, by screening test requirements. As was shown in Chapter III, most older Naskapis did not possess the skills required to pass qualifying tests for entry level positions during IOCC's peak production years. However, most of the younger Naskapis had begun to acquire the skills required for employment in the later years of IOCC's operations, since the mid-1970's, when there was a steady pattern of layoffs due to decreased production levels.

And, although it is impossible to measure the extent to which screening variables of age, sex, and most particularly, race, were applied to Naskapi applicants, it is clear from interviews that such instances did occur. These screening variables, in contrast to measures of skill, education and training (which require some method for assessment, such as application forms or competency tests), are immediate and inexpensive, requiring only a cursory interview. These variables are usually based upon mis-information about segments of the labor force, yet are used in screening applicants for entry level positions in internal labor markets.³⁵

The job hierarchy at IOCC also structurally discriminated against Naskapi workers at the level of promotions. The Naskapi formed a

quasi-class of their own, occupying the lowest positions on the job ladder. The hierarchy of jobs at IOCC ran from the highest level, 17 (shovel-operator, \$10.35/hour), through level 9 (tireman, \$9.31/hour), to level 2 (general laborer, \$8.40/hour) and level 1 (janitor, \$8.27/hour).³⁶ A review of thirty-three IOCC employment files on Naskapi workers revealed that all but one Naskapi occupied the four lowest levels of jobs.

The Naskapi at IOCC were seen as "unpromotable" by every management level representative that was interviewed at the Company. Three reasons were commonly advanced. First, most middle aged and older Naskapi workers spoke only their native language and therefore could not pass the tests required for promotion, even though many were clearly capable of performing the duties for higher positions. Here, the screening variable of language indirectly contributed to the structural discrimination of Naskapi workers.

Second, company officials claimed that the Naskapi were too shy to be promoted and could not function effectively in predominantly white work crews.³⁷ This problem was the unfortunate result of the racial tension that took place widely between individual Indian and white workers. (This tension necessitated the division of free-swim hours at the recreation center pool into "white hours" and "Indian hours." These segregated swimming hours were not imposed by any authority; rather, they were loosely agreed to by users of the pool as the best way to avoid racial problems.)³⁸ One foreman at IOCC named a Naskapi as his best worker and admitted that the only reason he would never promote this worker to a position of authority was that the whites on the crew would never take orders from him because he was an Indian.³⁹

The third reason the Naskapi were seen as unpromotable was that they would refuse a promotion which would cause them to work irregular hours. According to an IOCC superintendent, the freedom to hunt on weekends, during layoffs and occasionally during evenings was of primary importance to the Naskapi workers.⁴⁰ A list of the widely recognized best Naskapi hunters, compiled by a Naskapi interpreter, revealed that half of the most skilled hunters were also full time workers at IOCC. As we saw in Chapter III, hunting was important for these men, not only for recreation, but because it provided a necessary means of subsistence in an economy where employment was unstable, and wages at the lowest position in the company did not meet the high cost of living for workers with large, extended families.

These notions of the inherent "unpromotability" of Naskapi workers obscure the reality of a strict job hierarchy, governed by screening procedures which, regardless of individual cases, has concentrated unemployment and employment at the lowest levels among the Naskapi segment of the workforce.

The Naskapi workers were at a particular disadvantage with regard to the system of procedure at IOCC. Many admitted in interviews that they did not know of, or understand, the system of penalties for unexcused absences during their first years at the company. These Naskapis spent extended weekends in the bush hunting, only to find themselves terminated upon return to the company, with no explanation. And, when they reapplied for jobs later, they were not rehired. According to the Naskapi chief, who was one of IOCC's most stable and respected workers:

Lots of men, when they get discouraged or tired will

go into the bush and when they come back three or four days later, have been kicked out of the company.

Also, Naskapi workers did not participate in the grievance procedure. It was revealed in interviews that most Naskapis did not know that a union existed at the company, or did not understand what its purpose was. Others claimed that the United Steelworkers of America worked with the Company, against the interests of the Indian workers. And indeed, the Union officials interviewed in Schefferville and in Sept-Iles had very little to say about the special problems of the Naskapi workers. The only affirmative action clause in the CBA to encourage the employment of native workers was removed during contract negotiations in 1978.⁴²

Grievances are filed by individuals, and thus the "collectiveness" of a complaint, is defused. Furthermore, grievances are recorded in a worker's files and so employees often hesitate to register a grievance. The Naskapi were particularly vulnerable to these disincentives because of their marginal status, economically and socially. Even though there were numerous informal complaints against the Company from Naskapi workers, a review of the Union's grievance records for 1975-1980 revealed that no grievances had been filed by Naskapi workers.

As we have seen, the Naskapis' need to maintain their subsistence ecology during periods of employment and during lay-offs ultimately worked against them within the context of job hierarchies, and the system of procedure which they encountered at IOCC. Also, as a result of mechanization and the deskilling of jobs, workers at the margins of the labor force, such as the Naskapi, do not learn the range of skills necessary to move out of the semi-skilled job ladder in other work.

situations.

Lay-offs

The frequency of lay-offs to which many workers at IOCC were subjected created an unstable and uncertain employment situation in which full participation was impossible. As a result, the Naskapi found it necessary, as well as desirable, to maintain close ties to their subsistence activities to supplement their wage earnings.

In my opinion, maybe they prefer, some of them, to be laid off because they want to go out hunting. An Indian always prefers to go hunting.

Semi-skilled workers have acquired new skills at the expense of their depth of understanding of the production process. Rather than training in the trades, the training which workers now receive ties them to particular pieces of equipment and to specific processes. This loss of general knowledge reduces their marketability for other related jobs, which is a critical issue for workers in an industry characterized by highly unstable employment.

The sort of international mobility which characterizes IOCC (described in Chapter II), includes IOCC's investment in their own foreign competition, the stockpiling of iron ore in Schefferville since 1970, and the movement of capital out of Schefferville into other IOCC concerns. In this discussion we are concerned with the effects of this kind of capital mobility on the Naskapi. The costs of a shutdown are enormous for all workers, particularly in a northern company town where no other source of employment exists. Workers affected by a shutdown are faced with the burdens of relocation and retraining, and those who own homes suffer high equity losses. For the Naskapi, however, the problems are of a different nature. With the signing of the

"Northeastern Quebec Agreement,"⁴⁴ Schefferville became the Naskapis' permanent home. Retraining is largely unnecessary since the majority of Naskapi workers only occupied the lowest, unskilled positions at IOCC, which required no training to begin with. And, no important source of employment exists near Schefferville for the Naskapi (after the closing of IOCC, the completion of the Caniapiscau project and the building of the new Naskapi village) for which retraining would be required. Even if Naskapi workers were to relocate to urban centers like Montreal, they have not developed the range or depth of skills while in Schefferville which they need to move beyond their unskilled status.

This chapter has shown that, in addition to working under unstable "boom and bust" employment conditions, the Naskapi occupied a marginal position in the labor force which was carved out by the structure of the labor process. The general tendencies in the capitalist labor process toward the deskilling of labor and the division between intellectual and manual labor were manifested in a particular set of characteristics in the labor process at IOCC. The ways in which these characteristics of mechanization, job hierarchies and procedure affected the marginal participation of the Naskapi in wage employment at IOCC were examined in detail in this chapter.

This thesis intentionally avoids placing blame or providing excuses for the Naskapis' employment problems. Such a task would be impossible since the very nature of the interaction between the subsistence ecology of the Naskapi and the dynamic of capital, in the form of IOCC, created an impossible situation for the Naskapi. Involvement in the labor process at IOCC tied the Naskapi to an external

dynamic: the uncertain fortunes of the worldwide market for iron ore, and contributed to the continued erosion of their subsistence economy as a way of life. The hierarchical form of the labor process also defined the range of work opportunities for the Naskapi at IOCC. Thus, when the Naskapis' already marginal and uncertain participation in IOCC's labor force was ended with the shutdown of the Schefferville mines, the long term effects of their position in the labor market became clear. The Naskapi were not only faced with the termination of their major source of employment, but with a lack of marketable skills and a seriously weakened relationship to their subsistence cultural ecology.

Footnotes

1. Braverman, H., Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century, New York: Monthly Review, 1974; see also Brighton Labour Process Group, "The Capitalist Labour Process," Capital and Class, No.1, Spring, 1977, pp.3-26.
2. Braverman, op.cit.
3. See Braverman, op.cit., Brighton, op.cit., Elger, T., "Valorization and Deskilling: A Critique of Braverman," Capital and Class, No.1, 1977 pp. 58-99, Friedman, A.L., Industry and Labour: Class Struggle at Work and Monopoly Capitalism, London: The Macmillan Press, LTD., 1977; and Friedman, A.L., "Responsible Autonomy Versus Direct Control Over the Labour Process," Capital and Class, No.1, 1977, pp.43-57.
4. Deskilling became widespread with the scientific management movement, initiated by Frederick Winslow Taylor in the last decades of the nineteenth century.

(Taylor) asserted as an absolute necessity for adequate management the dictation to the worker of the precise manner in which work is to be performed (Braverman, op.cit., p.90).

...control over the labor process must pass into the hands of management, not only in a formal sense but by the control and dictation of each step of the process, including its mode of performance (Braverman, op.cit., p.100).
5. Brighton, op.cit.
6. This general tendency in the capitalist labor process toward the revolutionizing of the instruments and social organization of production is developed in Brighton, op.cit.
7. Braverman, op.cit.
8. Edwards, R., Contested Terrain: The Transformation of the Workplace in the Twentieth Century, New York: Basic Books, 1979; Edwards, R., Reich, M., and D. Gordon, Labor Market Segmentation, Lexington, Mass., D.C. Heath Company, 1975; Marglin, S., "What Do Bosses Do? The Origins and Functions of Hierarchy in Capitalist Production," The Review of Radical Political Economics, Vol.6, No. 2, Summer 1974, pp. 33-60; and Stone, op.cit.

9. Rubery, J., "Structured Labor Markets, Worker Organization and Low Pay," Cambridge Journal of Economics, Vol.2, 1978, pp. 17-36.
10. Friedman, op.cit.
11. Storper, M. and R. Walker, "The Theory of Labour and the Theory of Location," International Journal of Urban and Regional Research, Vol.7, No.1, March 1983, pp. 1-41.
12. Massey, D. and R. Meegan, The Anatomy of Job Loss, Methuen: London, 1982.
13. Storper and Walker, op.cit., pp. 33-34.
14. Clement, W., Hardrock Mining: Industrial Relations and Technological Changes at INCO, Toronto: McClelland and Stewart Ltd., 1981.
15. Ibid.
16. Ibid.
17. Hogan, W.T., Economic History of the Iron and Steel Industry in the United States, Vol. I and II, Lexington, Mass.: Lexington Books, D.C. Heath and Co., 1971.
18. Clement, op.cit.
19. Ibid.; Hogan, op.cit.; and MacMillan, J.A., Tulloch, J.R., O'Brien, D., and M.A. Ahmad, Determinants of Labor Turnover in Canadian Mining Communities, Center for Settlement Studies, The University of Manitoba, Series 2: Research Report No.19, May 1974. Until World War II, the demand for iron ore had largely been satisfied by the deposits in the Mesabi Range, near Lake Superior, in the United States.
20. Clement, op.cit.
21. Ibid.
22. The union which represented IOCC's hourly workers, the United Steelworkers of America, claimed that as recently as 1979, IOCC actively recruited skilled workers from Europe, particularly Portugal and Italy. The reasons given by union officials varied from: using European workers because they performed the unpleasant and dangerous jobs that white Canadians at IOCC refused to do, to recruiting skilled European workers because of a serious shortage of skilled workers in Canada.
23. MacMillan et al., op.cit.
24. Clement, op.cit.; Also, Northern Miner, (August 18, 1977, p.13) reports that IOCC's operations require relatively few unskilled

workers because of the high degree of mechanization.

25. The Science Council of Canada has warned of the development of this pattern throughout Canadian industry (Clement, op.cit., p.383).
26. Stone, op.cit., p.87.
27. Doeringer P., and M. Piore, Internal Labor Markets and Manpower Analysis, Lexington, Mass.: D.C. Heath and Company, 1971. In this study on labor market segments, internal labor markets are defined as administrative units within which the pricing and allocation of labor is governed by procedure, and which employers use to reduce their labor costs. Internal labor markets benefit those privileged workers who are already part of the internal labor market, and they benefit employers because of the decreased costs and risks of recruitment and hiring associated with internal labor market procedures. In this conception, racial and ethnic discrimination is an incidental by-product of distinctions made for other purposes.
28. Ibid. Doeringer and Piore suggest that, in practice, the concept of "hiring standards" is not clear since the only true measure of a worker's effectiveness is job performance which is only measurable on the job.
29. "Convention Collective entre Iron Ore Company of Canada et Les Metallurgistes Unis D'Amérique (Local 5567)," Schefferville, Quebec, March 1, 1978.
30. Absenteeism is the most common expression of worker dissatisfaction in the mining industry (miners seldom engage in sabotage because of the dangerous nature of their work). However, this particular expression of alienation is complicated in the case of native workers by absences for subsistence activities. See Clement, op.cit.
31. Stone, op.cit.
32. Clement, op.cit.
33. Company newspapers are also important tools of public relations. The IOCC paper, "Le Dialogue" regularly carried articles praising individual employee incentive, announcing town events and carrying items of general interest. These articles are directed at smoothing over potential conflicts in the workforce, yet they often bear little relation to the reality experienced by the workers themselves. For example, during the massive lay-offs in 1981, which affected hundreds of families, the front page article of "Le Dialogue" was ironically entitled: "Carnival! Fun for everyone during Schefferville's good times carnival."

Safety and health issues are also used to manipulate worker

sentiment. Company safety campaigns have the dual effect (particularly important in dangerous industries such as iron ore mining) of convincing workers that the company has their best interests at heart, and also that it is the workers who bear total or partial responsibility for the majority of safety accidents which occur. Safety and health concerns are also used politically by unions in their efforts to effect slow-downs; see Clement, op.cit.

34. Interview, IOCC respondent, Schefferville, September 8, 1980.
35. Doeringer and Piore, op.cit.
36. Convention Collective, op.cit.
37. Interview, IOCC respondent, Schefferville, September 8, 1980.
38. Discrimination and mistreatment of Naskapi residents by Schefferville police and hotel managers, and a general lack of integration into the culture, society or economy of Schefferville is documented in a letter dated June 16, 1979 to Peat, Marwick et Associes from the Naskapi Band Council of Schefferville.
39. Interview, IOCC respondent, Schefferville, September, 1980.
40. Ibid., September 8, 1980.
41. Interview, Naskapi Chief, Schefferville, February 5, 1981.
42. "DG reports that article in collective agreement between IOC and Union guaranteeing a certain percentage of native workers has been deleted;" from notes in Economic and Social Development file #2, Naskapi Band Council office, Montreal, on a meeting of the Naskapi Band Council, 1978. This was verified by a union official during an interview in Schefferville on August 14, 1980.
43. Interview, Naskapi Chief, Schefferville, February 5, 1981.
44. This is a legal agreement between the Naskapi Band of Schefferville and the Governments of Canada and Quebec in which the Naskapi cede, release, surrender and convey all their native claims, rights, titles, and interests in return for certain "rights, privileges, and benefits."

Chapter V

Summary and Conclusions

This thesis has attempted to provide a general framework with which to examine the problem of native employment in northern communities across Canada. The employment experience of the Naskapi Indians was examined in detail as illustration of a larger picture of native employment problems which include high rates of unemployment and employment in marginal positions. Reasons commonly given in the literature for the lack of incorporation of native people into a wage labor economy have followed a linear path of causality in which native people are shown to lack sufficient qualifications and exhibit adjustment problems in wage labor situations. Typical of previous research are recommendations of expanded vocational training programs to solve what are seen as local problems and inadequacies of native people, and to encourage local hiring without jeopardizing industrial productivity.¹ Yet, in spite of substantial expenditures on programs to increase native employment, "everywhere in Canada the native population occupies the less-favourable-ethnic-group position in the labor market."² This thesis has shown that the traditional linear approach to native employment problems has failed to uncover an understanding of the underlying causes of native unemployment and underemployment. Further, a direction of research has been indicated which suggests that these employment problems are not local in origin, nor are the solutions.

This thesis has attempted to develop a "conjunctural approach" to

understanding native employment problems which views the employment situation of the Naskapi as a historical and geographical conjuncture of two dynamics: the dynamic of multinational resource capital and the dynamic of the subsistence ecology of the Naskapi, which interact at the point of the labor process. Within the context of this "economic conjuncture," the conditions of profitability which allow, in fact necessitate, the movement of capital around the world, including the expansion of capital northward, were explored. And, insights offered by the literature on the capitalist labor process allowed us to examine the local dynamic of labor at IOCC and the place of the Naskapi within that dynamic. This "conjunctural approach" offers a beginning toward the development of a theoretical framework which recognizes the dynamic between the industrial economy and native economy in uncovering the underlying causes of the concentration of unemployment and underemployment among the native segment of the labor force.

Specifically, the employment histories of Naskapi wage laborers were analyzed, and traditional explanations for the employment problems of native people were shown to be inadequate. An alternative analysis was offered which examines the inherent instability of employment in northern resource industries and attempts to explain the inability of these industries to absorb the native segment of the labor force. This thesis explored the marginal position of the Naskapi within a labor force which is required to adjust, adapt, and reproduce itself under difficult and unstable conditions which include rigid and segmented job structures, seasonal lay-offs, cyclical boom and bust periods and an ultimate dependence on external markets. In addition, in spite of a spatial proximity of the Naskapi community to the town of Schefferville,

the Naskapi were never integrated with Schefferville's residents. Instead, the divisions in the working class within the production process were reproduced in the social sphere in the form of segregated housing, education and social facilities.

Chapter II explored the expansion of industrial, resource firms into the North as the latest in a series of phases of penetration of the North by southern interests. Tendencies of development in the mining industry, which include the concentration and centralization of ownership, the control of operations from distant financial centers, the mobility of capital, and the orientation toward export of mining firms, were developed. These tendencies which characterize the mining industry, make it possible for firms to run highly profitable operations in the north. However, it is also these characteristics which result in instability for local communities: local labor pools are not well incorporated into the workforces of these operations, the length of involvement in a community is always uncertain, and flows of capital and commodities are established solely with southern centers. The unstable economic base provided by IOCC's mining operations in Schefferville played a major role in the employment problems which the Naskapi experienced, but even before the Schefferville operations were shut down, the Naskapi were not incorporated into the labor force to any significant degree.

In chapter III, data were presented which showed that Naskapi workers were restricted to seasonal and token employment, primarily in the form of temporary, hard labor jobs at the lowest levels of the job hierarchy, but not for reasons traditionally suggested such as lack of education, training or language skills, nor for problems of adaptation.

These traditional assumptions about native employment problems were explored and critiqued. Data on the general characteristics of the Naskapi labor force of education and training levels, and language skills were presented and correlated with the employment success of Naskapi workers. It was discovered that no clear relationship existed which might permit a conclusion of increasing employment success with higher education levels or improved language skills. Adjustment problems were also examined to reveal that the Naskapi experienced a basic contradiction between the need to become incorporated into the industrial, wage-earning work force and the need to maintain close ties to their subsistence activities to supplement an unstable and marginal employment situation. Out of this contradiction evolved a "subsistence sub-culture" which set the Naskapi apart from the rest of IOCC's workforce. While this adaptation prevented the Naskapi from becoming fully habituated to an industrial work ethic, it was shown that their sub-culture did not significantly affect their ability to perform the duties of their jobs at IOCC. Further, an examination of the reasons for terminations of Naskapi workers revealed that the majority of terminations were for structural reasons, reflecting the unstable nature of resource employment, and that only a small percentage were due to inadequate skills or work habits.

In addition to an inherently unstable employment situation, the Naskapi who worked at IOCC occupied a marginal position within the labor force, which was carved out by the structure of the labor process. Chapter IV showed how we may begin to understand the Naskapis' marginal participation in wage labor with the help of recent literature on the labor process. The general tendencies in the capitalist labor process

toward the deskilling of labor and the division between intellectual and manual labor were manifested in a particular set of characteristics in the labor process at IOCC. These characteristics, which include mechanization, job hierarchies and procedure shaped the marginal participation of the Naskapi in wage employment.

In place of a stable position as wage laborers at IOCC, the Naskapi were forced to depend on a combination of welfare assistance from the state, subsistence activities and alternative employment. The Naskapi were heavily dependent on monthly welfare payments, and the commonly made assumption that welfare payments decrease as the size of a community's employment base increases³ proved false for the Naskapi of Schefferville. (Other northern communities such as Coppermine, Inuvik, and Tuktoyaktuk also prove this assumption false.) In fact, welfare payments in general are set at levels below the prevailing minimum wage and are barely sufficient to maintain and reproduce a secondary labor market.⁴ Thus, welfare recipients are kept dependent on temporary, marginal jobs, effectively ensuring an adequate supply of labor for the secondary job sector. These functions are particularly critical in industries characterized by high seasonal and cyclical instability, such as iron ore mining. Under these conditions, wages and working conditions in the secondary labor market remain sub-standard and secondary workers like the Naskapi cannot escape the cycle of welfare payments and marginal employment. Also, while subsidized training and education programs for the Naskapi (adult education, carpentry training) supplemented earnings from welfare payments and secondary jobs, and proved to be powerful incentives for wide Naskapi participation, the Naskapis' ultimate dependence on welfare

continued.

Subsistence activities were also an important supplement to income from wages at IOCC. The combination of seasonal wage employment with subsistence activities can provide a viable way of life for native communities:⁵ wages provide the means for the purchase of hunting and fishing equipment, and the products of subsistence activities are an important supplement to cash income during lay-offs. However, in cases where industrial employment undermines, or even replaces, a renewable resource economy, the social cohesion of a community can break down. Country food is more readily shared than money, and as this sharing of food drops off, disparities in income can increase. Thus, even though the average per capita income may rise with wage employment, the number of poor households can also increase. In the Naskapis' case, not only did wage employment lead to disparities in the income of Naskapi households, but the sharing of the country food brought in by hunters also declined. Before their move to Schefferville in 1956, successful hunters shared their catches with needy households. But after some experience as wage earners, some of these same hunters began to sell their country food to Naskapis, and others, for a profit.

IOCC was the major, most stable source of employment for the Naskapi in the twenty-five years since their move to Schefferville, yet a sample of sources of employment in 1981 (Table 3.1) showed that only twenty-six percent of the total jobs held by Naskapis were at the Company. The majority of other jobs were generated by the Naskapi Band Council (sixty-two percent) in the form of support for the Band Office, construction of the new village by the Naskapi Relocation Corporation, and construction work (slashing) in Caniapiscau by the Naskapi

Construction Corporation.

The Naskapi Construction Corporation was formed in 1977, initially to provide Naskapis with employment at the James Bay hydro-electric project at Caniapiscau. Since then, they were awarded contracts in successive summers to clear acreage of trees and shrubs. This program has received mixed reviews from those involved. Most Naskapis who worked as slashers in Caniapiscau had serious problems of alienation and homesickness which led to their early return home. Their homesickness for family, friends and familiar places was compounded by the desolation of the labor camp in which they lived and by the racism which they experienced from whites and other groups, witnessed first hand. Drug and alcohol abuse were also problems.⁶

The Naskapi now face serious problems of unemployment in the Schefferville area with the closure of the IOCC mines, the completion of the construction of their new village, and the winding down of construction on such major works as the Caniapiscau project.

Data

The data for this thesis came from a wide variety of sources: employment files and extensive interviews with Naskapis, IOCC personnel, union officials, and government representatives. There were gaps in the sources of data in the form of incomplete employment files on one hand and the imperfect and subjective memories of respondents on the other. However, the cross-checking which was afforded by using a variety of sources was helpful in obtaining the most reliable data possible. Another inadequacy was the lack of any coherent information about the pre-Schefferville employment of the Naskapi and their early Schefferville employment experience. The memories of the oldest and

wisest Naskapis were challenged to recount early employment histories and, in the absence of any records, these Naskapis were the only source for early employment information.

Future Research Questions

While this thesis has attempted to provide a framework with which to examine questions about the employment problems of the Naskapi with an analysis of their major employer, IOCC, many additional questions were raised in the course of the research which could not be answered here. One future research question for the Naskapi, or other native groups involved in wage employment, concerns the nature of the relationship between wage labor and subsistence activities. Specifically, what were subsistence activity and food sharing patterns before wage employment and how did they change with employment? Also, did subsistence needs change and if so, how were they influenced by a wage income?

The employment experiences of Naskapi women were not discussed in this thesis because women comprised a very small percentage of the work force (no Naskapi women were hired by IOCC or the Naskapi Construction Corporation). An important direction for future employment research is the effect of wage employment on women as wives, daughters and mothers of workers, and as workers themselves, on family relationships and on the work which Naskapi women do at home. Also, does the division of labor between husband and wife change with the involvement of the husband in wage employment and do women take up more of the men's responsibilities at home? In addition, to what degree does sexual abuse and exploitation of native women by southern transient workers and frustrated native male workers occur? And, finally, as native women

acquire education and training skills (often while their husbands are at work) and their qualifications for employment increase, the question of why more native women are not employed will have to be answered.

Another important area of research is the public health of native communities and how it has changed with relocation from the bush to settlements. In these settlements, processed food is substituted for country food, there are increases in alcohol and drug abuse, physical exercise decreases, and there is mental and emotional stress associated with adapting to a radically different life-style and the expectations of an industrial work experience.

Implications

Finally, if geographers are to understand how northern native groups are affected by northern development, we must approach the problem of native employment from two angles. First, patterns of investment and disinvestment, capital location and capital mobility need to be examined to understand the nature of the penetration of capital into northern communities. There has been a widespread acceptance of growth as a costless source of benefits; but the question of who the recipients of these benefits are is increasingly being asked. Native communities are coming to view the benefits of wage employment, often in massive proportions and for short periods of time, as outweighed by the loss of their lands, their social and cultural institutions and the dislocating effects on their communities. Native people must take an increasingly active role in planning for coordinated development policy which incorporates a diversified economy of wage employment and subsistence activities.

Second, geographers must come to understand the nature of the

industrial labor process to see why traditional programs of training and education are insufficient to prepare native people for industrial wage employment. The job training and education which native workers receive takes them away from subsistence activities, yet offers them only limited opportunities in the job market. Involvement in the labor process at IOCC tied the Naskapi to an external dynamic: the uncertain fortunes of the worldwide market for iron ore, and contributed to the continued erosion of their subsistence economy as a way of life. And, the range of work opportunities for the Naskapi at IOCC was defined by the hierarchical form of the labor process. When the Naskapis' already marginal and uncertain participation in IOCC's labor force was ended with the shutdown of the Schefferville mines, the long term effects of their position in the labor market became clear. The Naskapi were not only faced with the termination of their major source of employment, but with a lack of marketable skills and a seriously weakened relationship to their subsistence cultural ecology.

It was shown that the literature lacks an adequate analysis of the underlying causes of the concentration of unemployment and underemployment among native groups, and it is such an analysis which this thesis has attempted to initiate. The deskilling and stratification of jobs has created structural unemployment by molding workers to single, skill specific occupations. In an industry characterized by instability and external control, such as the iron and steel industry, this leads to massive dislocations in the work force. And, the marginal position in the labor force of native workers is accompanied by eventual unemployment and a permanent disruption of their social and cultural institutions and their subsistence economies. This

thesis has viewed the employment situation of the Naskapi as a historical and geographical conjuncture of the dynamic of multinational resource capital and the dynamic of the subsistence ecology of the Naskapi. This perspective has allowed us to combine an understanding of the nature of capital location with an understanding of the nature of the industrial labor process to begin an analysis of the underlying causes and implications of the concentration of unemployment and underemployment among native groups.

Footnotes

1. Hayter, R., "Labor Supply and Resource-based Manufacturing in Isolated Communities," Geoforum, Vol.10, 1979, pp.163-177.
2. Canada Employment and Immigration Commission, The Development of an Employment Policy for Indian, Inuit and Metis People, 1979, p.8.
3. This assumption is discussed in Berger, T., Northern Frontier-Northern Homeland: The Report of the Mackenzie Valley Pipeline Inquiry: Vol. 1, Ottawa: Supply and Services Canada, 1977.
4. Bluestone, B., and B. Harrison, Capital and Communities: the causes and consequences of private disinvestment, Progressive Alliance, Washington, 1980.
5. See Müller-Wille, L., "Caribou Never Die! Modern Caribou Hunting Economy of the Dene (Chipewyan) of Fond du Lac, Saskatchewan and N.W.T.," Musk Ox, No.14, 1974, pp.7-19; also, Müller-Wille, L., "Cost Analysis of Modern Hunting Among the Inuit of the Canadian Arctic," Polar Geography, Vol.2, No.2, 1978, pp.100-114.
6. Another problem for the Naskapi in Caniapiscau derived from the nature of their work. The slashers used chainsaws in work which was both exhausting and dangerous. The minimum work week consisted of six days, ten hours each day. Slashers were paid sixty-five dollars per cleared acre and most Naskapis, inexperienced in this type of work, could only clear one or two acres each day. The Naskapi Construction Corporation also hired Algonquin cutters, who were extremely skilled, in order to complete each contract on time. Some Algonquins cleared up to twelve acres per day, and the large disparity in the resulting wages was a source of great resentment by Naskapi workers, and some degree of scorn by the Algonquins. However, in spite of these problems, the Naskapi Construction Corporation provided a steady source of employment for Naskapis since 1977 and profits made by the Corporation remained within the Naskapi Band.

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