

INSTITUTE OF CURRENT WORLD AFFAIRS

WGM-16  
Greenland - Hunting IV  
Improvements and a Threat

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Dear Dick,

Last spring, in a newsletter series on hunting in Greenland, I wrote that economic improvements for the hunting districts could be expected. These improvements, suggested by the Permanent Greenland Committee (Grønlandsråd), were discussed by the Greenlandic National Council (Grønlands Landsråd) during the 1966 spring and autumn sessions in Godthåb. Some of the improvements went into effect in January. This letter will discuss briefly these changes for the Greenlandic hunter; following ones will describe the sale of his wares through the Danish Fur Auction and recent signs of trouble in the world sealskin trade that threaten the hunting economy of Greenland.

In 1963, adverse market conditions forced the Royal Greenland Trade Department (KGH) to stop buying seal blubber and shark liver in Greenland. World market prices for oils processed from these raw materials had been declining for some time in competition with vegetable oils. KGH cannot react to changing market conditions as fast as it might like, for, as part of the state Ministry of Greenland, it has partial responsibility for the welfare of the Greenlanders. Paradoxically, it must also operate according to private business principles of profit and loss, which occasionally makes its social role a perplexing one.

The uniform price system throughout Greenland, regardless of location, is one indication of how KGH's social responsibility is carried out. Another is the purchase of seal blubber long after it ceased being at all profitable for the government company. Some of the losses suffered by KGH in Greenland are met by direct state subsidy, but KGH's production in Greenland receives no direct subsidies and must therefore go its own way. In general, fur production, shrimps, and frozen fish fillets are the money-makers which must balance losses in salted fish production.

Until recently in Greenland, the tidy profit made on the fur sale (as well as other production profits) each year went into the so-called K-fund (Konjunkturudligningsfond), which was set up in 1951 as a cushion to protect Greenlandic producers from widely-fluctuating world market prices. The K-fund also balanced losses in other production spheres in Greenland. In effect, the K-fund was really the Greenlanders' own money which was to protect the hunters and fishermen in times of low market prices. Such protection was considered necessary after sweeping changes in the early 1950's allowed private initiative into Greenland. Through these changes the government monopoly was partially broken; the K-fund

was set up to assure protection for the Greenlanders which could not be expected from private businessmen.

The K-fund was really the continuation of a system started in Greenland in 1926, but it had the difference that the K-fund itself, not Danish state policy as a whole, would protect the Greenlanders against sharp market changes. Through the system set up in 1926, a fund received the yearly surplus or made up the yearly deficit in Greenland. Investment in Greenland and progress in social, cultural, and economic ways depended mostly upon the export of the mineral cryolite. To succeed in the overall aim of protection from changing market conditions, the Danish government throughout the years paid prices for Greenlandic goods that were at times lower or, less frequently, higher than the market called for. For this reason Denmark required what amounted to a monopoly in running Greenland.

Today, although KGH must fend for itself in production, developmental progress in Greenland no longer rests solely on production results there. Through a budget which swells each year, the Danish government itself has pumped vast sums into the modernization of Greenland.

In general, the history of economic development in Greenland, up until recent years, was characterized not only by low prices paid for raw products delivered to KGH by the Greenlanders (furs, fish, sheep, and a miscellany of hunting products), but also low prices for European goods sold, frequently below cost, to the population through KGH shops. Prices for both European goods and Greenlandic products (known respectively in Danish as udhandlingsprodukter and indhandlingsprodukter) were uniform throughout Greenland--a system which has changed only slightly today. Prices were also kept unaltered for long periods as part of the overall policy.

Since 1951, with the start of the K-fund, profits from the sale of Greenlandic furs have been deposited in the K-fund, with little apparent benefit to the hunters, who realized recently that their efforts had been supporting a fluctuating fishing industry along the southwest coast. I have not been able to get a clear picture of contributions to the K-fund, or benefits derived from it. A high KGH official told me recently that he thought the hunters "were about even" in K-fund contributions and benefits. This is not the commonly-held view, but, since the facts seem a bit obscure through reticence of KGH to talk about the fund, the point is a moot one at present. In general, however, it appears that the building up of modern fish plants since 1960 has drained K-fund reserves because of initial difficulties and production far below capacity during the winter season.

Wherever hunting fits in, the K-fund, which once contained 6 million kroner (\$1 = 6.9 kroner), was down to a few thousand kroner by 1960, and now has a deficit of 5-6 million kroner. But even if the hunters' money is no longer there, the original need for protection in unfavorable market periods remains.

During the 1965 Landsråd meeting, member Erik Egede, a sheep farmer representing the southern district of Narssaq, discussed the possibility of setting up a fund for hunters. He also pointed out the necessity for improving the profit-sharing scheme for sheep farmers and hunters. Egede said that some years ago the sheep farmers in Greenland established an investment fund, 25% of whose profits were paid out to the sheep raisers, the remainder going to the State. He therefore suggested establishing a fund whose entire profit would go to the sheep farmers and hunters as a replacement for the heavily-deficited K-fund. The hunters, as the sheep farmers, had been receiving 25% of the profits from sale of their wares. This profit-sharing scheme (udbytte-delning) should now be improved, Egede said, so that the entire amount of profit would be paid out, instead of only part of it.

At the same meeting the member from Upernavik district, deep within the hunting area of northwest Greenland, supported the idea of a special fund for hunters (and sheep raisers), and said that he:

"originally would have moved that such a fund get its initial capital from the K-fund, into which the hunters had paid without getting any return, but he had learned that there was no more money in the K-fund. And he could add that the hunters were very dissatisfied that the money they had paid into the K-fund had been used for entirely other purposes and therefore had not benefited them at all. During these years of good fur prices the hunters wondered a lot about what they would live from if fur prices fell suddenly."\*

These thoughts were echoed by other Landsråd members, mostly from the hunting districts. No concrete motions were made at the time, for it was known that the Permanent Greenland Committee (Grønlandsråd) would deal with the problem of the hunting districts during their November 1965 meetings.

The Grønlandsråd did discuss hunting and sent their recommendations to Greenland at the time of my last hunting newsletter (March-April 1966). The recommendations forwarded to Greenland for the consideration of the Landsråd were that:

\* Beretninger vedrørende Grønland, nr. 2b, 1965. (Grønlands Landsråds Forhandlinger 1965), page 192.

1. the purchase prices for sealskin be raised, at least corresponding to 25% of the profit from the 1965 sealskin auction, as well as expanded differentiation of purchase prices
2. profit-sharing be maintained and expanded so that the hunters, after transport and sales costs, would get the full share of profits from the sale of their furs
3. an attempt be made to set up an investment fund on a voluntary basis, possibly with support from the Landsråd
4. the present State subsidy on weapons and ammunition be abolished.

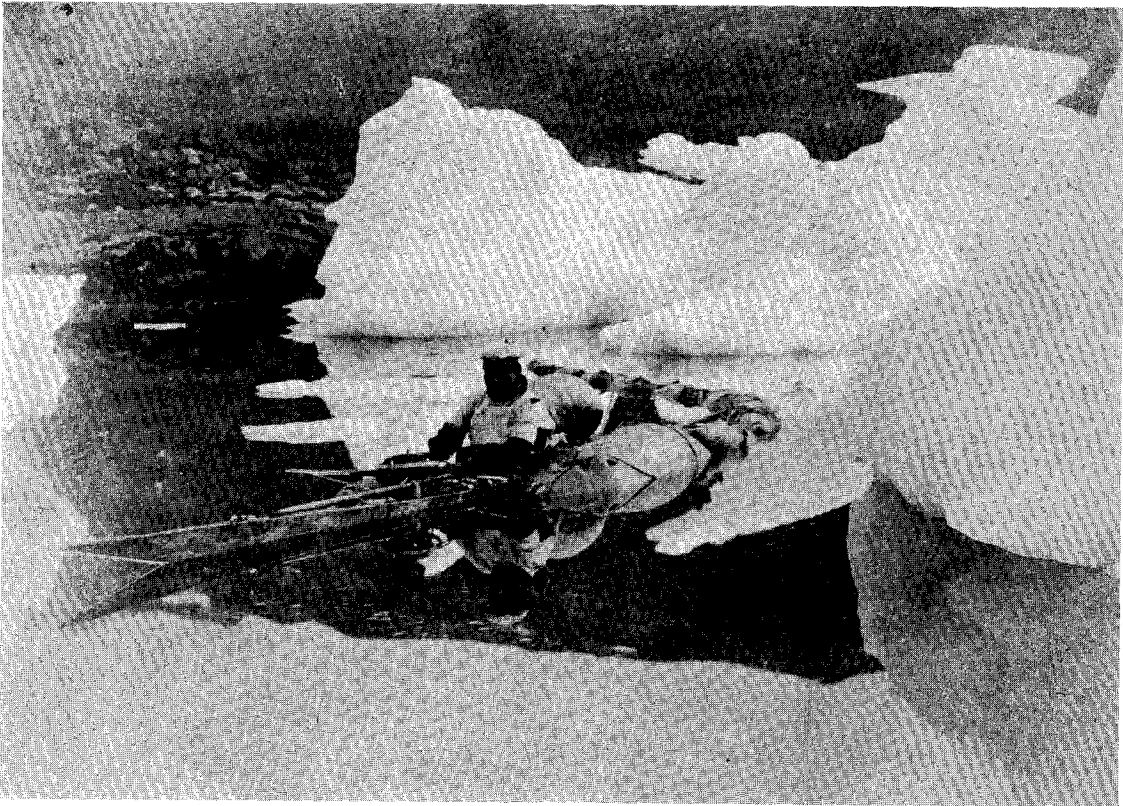
All the recommendations received general approval, except for the last one, which got a figurative round of boos.

\* \* \* \* \*

I said earlier that, as part of the general protection policy in Greenland, prices for goods bought and sold remained the same over long periods. Some prices paid to hunters and fishermen appeared quite anachronistic, but were balanced by subsidized, low-cost goods in the shops in Greenland. As late as 1950, sealskins were bought by weight in Greenland. In 1948, the skin of a ringed seal (quality nr. 1, unwashed) brought 3.00 kroner (\$0.42) to the Greenlandic hunter. By 1958 the price was up to 20.00 kroner and by 1964 41.00 kroner (not including possible bonus for good handling, plus an amount from the profit-sharing scheme).

The old practice of purchasing skins by weight resulted in little price differentiation so that skins of low quality brought almost as much as those of higher quality. This, of course, did little to encourage high quality in skin preparation--a problem plaguing KGH when offering sealskins and fox pelts at auction today.

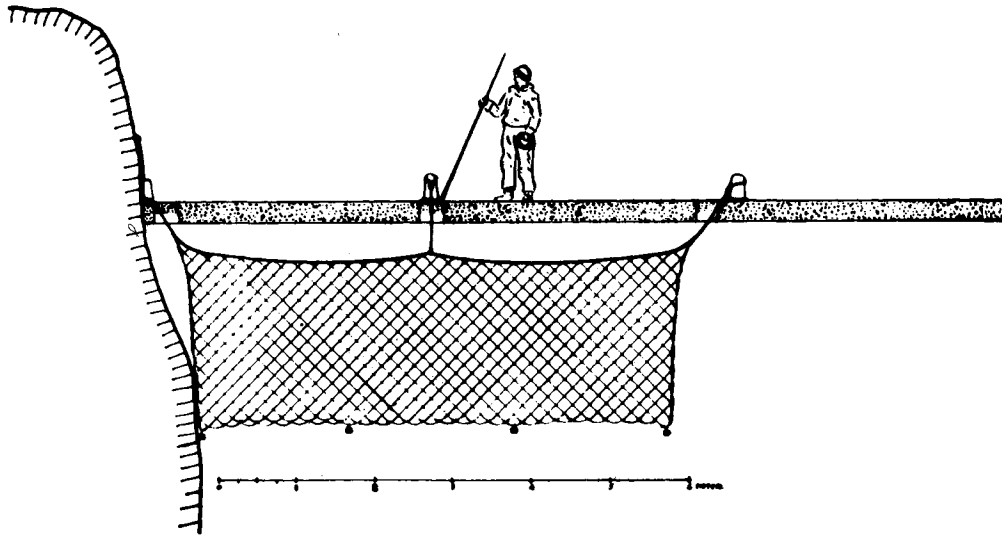
Poor quality could be due to many reasons: poor skinning and flensing, bullet holes, delayed washing, dragging skins over rocks or sharp ice, etc. In the old days, when seals were more numerous, a hunter may have taken many seals each day (see photo page 5), and it was thus not easy for him to get good results in all the skins he



Godthåb district ca. 1900: A Greenlander towing at least nine seals behind his kayak. (Photo by John Møller, Godthåb. Copyright Arktisk Institut)

offered for sale. Although kayak hunters are not a common sight today in Greenland\*, another method still in use for taking seals is the ice-net (isgarn). The ice-net is set under the winter fjord ice, usually with one end near an iceberg or other suitable place where seals would come to breathe. Much the same method is used by fishermen in catching seals along the north shore of the St. Lawrence river in Canada, and is also known in other cultures. Like other seal-catching methods, kayak hunting and the use of the ice-net imply a rigorous life as well as a dangerous one (hunting accidents were formerly the highest cause of death in Greenland), so that the new promise for better rewards for hunters is certainly welcome.

\* Visitors to Expo 67 in Montreal will be able to see a kayak and its accompanying hunting equipment. This set was made in Godthåb, the first in over 20 years, but of course Godthåb is no longer important for hunting.



The ice-net (isgarn), used in Greenland for catching seals. After the seal is caught, a hole must be made through the ice for retrieval.  
(Drawn by Carl Broberg)

The new prices for hunting products put into effect in January 1967 were the first and only implementation of the recommendations by Grønlandsråd listed above. The new sealskin prices widen the differential so that good quality skins are rewarded with rather high rates, while poorer skins bring lower prices than formerly.

In recent years, prices for furs in Greenland have been increased more frequently than in the past. Also, since 1963, the profit-sharing system has been used so that the Greenlandic hunter now gets a basic price for his fox, polar bear, and sealskins, plus a possible bonus for good treatment (behandlingspræmie), plus a share in the profits on the sale of his furs. KGH now uses a computerized system for each hunter in Greenland. Every sealskin, or other fur, is represented by a punch card giving information on the hunter's name, home village, price paid for skin, quality, final sale price, etc., of the skin. Before the profit-shares can be paid, pro-rated transport and sales costs are deducted, plus regulation for possible overpayment through initial grading at purchase in Greenland. About one third of the skins sent from Greenland have been wrongly graded (too high) for some reason: poor light or inexperience, for example.

After everything has been calculated, the hunter is paid his profit-share. This takes place long after the individual pelt has been sold to KGH in Greenland. This delay is unfortunate and may be another factor

affecting quality. In the case of polar bear, high prices are paid, but the bonuses and profit-shares come along so late that many Greenlandic hunters sell their bear skins locally to Danes. The price they receive may not be as high as they would eventually get from KGH, but money in the hand is a powerful persuader.

In recent years, as an exception to the system, KGH paid higher prices for furs in Thule and East Greenland in what was really their own brand of social aid to these remote and impoverished hunting areas. When seal blubber and shark liver were taken off the list of products purchased from Greenlanders in 1963, compensation was made by increasing the price paid for sealskins up to the level paid in Thule and East Greenland, with also a doubling of the quality bonus. At the same time, profit-sharing was begun for hunters which, together with the general price increases, offered the possibility of adding about .66 million kroner to the hunters' incomes vs. a loss of about 180,000 kroner through stopping seal blubber purchases. The increased price scales and profit-sharing went into effect in June 1963, at which time the Landsråd expressed its desire for a special fund set up from sealskin profits to be used for the benefit of the hunters.

The idea of a profit-sharing system for hunters in Greenland is quite a step forward. The system affects mostly sealskin and a few polar bear skins. Recently, fox pelts have been a variable, and not highly profitable, ware.

The system of profit-sharing works in such a way that one half of the profit on the sale of furs is paid out to the Greenlandic hunters, while the other half goes into the K-fund. The share paid out to each hunter must not exceed 25% of the purchase price in Greenland, including quality premiums. In 1965, 60,000 sealskins were sold to KGH--16,000 of these were wrongly graded, requiring an amount of 271,500 kroner to adjust the prices paid out in Greenland. Otherwise the total amount of payable profit would have been over .6 million kroner. The amount left after adjustment for erroneously-priced skins in Greenland (348,000 kroner) was divided among 2,576 hunters, of which 45% got under 50 kroner, while 13% received over 500 kroner. Thus, almost one half of the hunters in Greenland received \$7 from the profit-sharing scheme--a small amount, but better than nothing.

Of the four main suggestions made by Grønlandsråd listed on page 4, only the first has taken effect. Implementation of the other three recommendations has been suspended while practical difficulties are worked out. But, for the moment, perhaps the January price increases are the most important. For the first time, the sealskin's size is now used as a factor in determining the price in Greenland. Size, plus type of seal and quality determine in which of nine groups a skin is placed. The best quality and largest size skins are now worth 120 kroner, while the smallest size and poorest quality, 15 kroner. Similar systems are now used for polar bear (100-1500 kroner) and fox pelts (10-100 kroner).

A rough calculation shows that the new price levels represent about a 40% increase over the old prices. The basic desire for economic betterment for the hunters in Greenland seems thereby to have been fulfilled. But what about the other recommendations made by Grønlandsråd? As of this writing, none of the other points has been implemented as policy. I sensed an ominous tone among KGH officials I talked with recently, but nothing definite will be known about the basis for their fears until April 12 when the semi-annual sealskin auction is held in Copenhagen. Most people here are afraid of a general market drop which could eliminate talking about profit-sharing and investment funds.

The profit-sharing scheme may have been eclipsed by the much higher purchase prices now in effect. Rather than any profit-sharing ideas, a few officials told me recently that the new prices themselves may even have to be lowered if present market indications materialize. There is also a lack of agreement about how the profit-sharing system should be run. Everyone agrees with the idea that all the profits from the sale of furs should be turned back to the hunter, but before any profit can be announced, transport and sales costs must be deducted. These are rather fixed costs and cannot, as some want it, be stipulated as a percentage figure of total sales in any formal agreement.

The investment fund recommendation seems to be an interesting warping of the old idea of the need for protection against a fluctuating world market. It is the latter idea which I believe is urgently needed for the Greenlandic hunter today and not any consideration of local investment, particularly when it is on a voluntary basis. The hunter really needs a K-fund which will automatically siphon off part of the profits in fat years to be applied to support prices when the market swings the other way. But the K-fund has never been used as it was originally intended; today, when the need for such a fund appears imminent, a million-dollar deficit stares planners in the face.

The past ten years have been fat ones for sealskin, but in such a changeable market, traditionally dictated by the whims of fashion, only the foolhardy would not be prepared for the inevitable lean years.

As if the vagaries of the fashion world were not enough for Greenland to bear, at this very moment a powerful, emotion-packed campaign in Europe against buying sealskin threatens to upset the whole apple cart. The campaign is actually aimed at the kill of young seals ("whitecoats") in eastern Canada. But the Greenlandic hunter, who has nothing whatever to do with this industry, will probably feel the full effect of the passionate movement against alleged cruelty in killing methods off Canada. April 12, auction day, will tell the story, and I will report what happens to prices at that time. My next letter deals with the Danish Fur Auction and how furs from Greenland are sold there.

Sincerely,



W. G. Mattox

April 14, 1967.