



Your Guide to the North.

COMPASS

WELCOME TO COMPASS!



I AM PLEASED TO SEND YOU OUR INAUGURAL ISSUE OF COMPASS, THE NEW SEASONAL NEWSLETTER OF THE CANADIAN ARCTIC RESOURCES COMMITTEE. IN EVERY ISSUE, WE'LL BRING YOU THE MOST UP-TO-DATE INFORMATION ABOUT ISSUES AFFECTING NORTHERN PEOPLE, COMMUNITIES AND ENVIRONMENT — AND YOU'LL LEARN HOW YOUR SUPPORT OF CARC IS BEING PUT TO GOOD USE. AND WE'LL ALSO LET YOU KNOW WHEN WE NEED YOUR HELP RIGHT AWAY. I HOPE YOU'LL WATCH FOR OUR ACTION ALERTS IN COMPASS AND TAKE PART IN ACTIONS ON CRITICAL ISSUES AFFECTING THE NORTH — YOU CAN DO THIS BY SENDING AN E-MAIL OR FAX, OR VISITING OUR WEBSITE.

If you are a supporter of CARC, then you already know that people and animals living in the arctic are currently facing enormous challenges: Poorly-planned development, cultural and ecological destruction, toxic pollution, and the immediate effects of climate change. For North America — and for the world — Canada's north is the canary in the coal mine. Whatever happens here will have tremendous impacts for all of us.

As I see it, you and I can make use of a century's worth of

experience in the "developed" world to inform the decisions we make in the north today. This time, we simply can't afford to make the same mistakes again. We have a unique opportunity to do things differently in the north: We have a chance to *get it right*.

That's why CARC was born thirty years ago. For three decades, CARC has served as Canada's only national voice for northern concerns on environment, development, and social issues. Many supporters know about

continued...

NEWS IN BRIEF:

Announcing A Plan for the Land. This fall, CARC is launching A Plan for the Land, a four-year project aimed at understanding the cumulative effects of current and future developments on northern communities, wildlife, and ecosystems. Find out more... (page 2)

Oil, Gas and Pipeline Watch. CARC was ignited into action by proposed oil and gas pipeline development 30 years ago, and we helped win a moratorium on development in 1977. Now history is repeating itself. You can help us win again... (page 3)

Climate Change. Our changing climate creates enormous challenges throughout the world, but particularly in the Arctic. The melting of polar ice caps, and erratic weather patterns are inflicting serious harm on the plants and animals of northern regions and the people who depend on them. And this is just the tip of the iceberg... (page 7)

Toxins Poisoning the North. With the help of supporters like you, CARC effectively intervened on an international level on behalf of northerners to help eliminate some of the world's most toxic persistent organic pollutants (POPs). Find out what CARC is doing to stop the disastrous effects these toxins have on the Arctic environment and indigenous peoples... (page 7-8)

ALSO INSIDE:

CARC's 2002 Annual Report and Financial Statement (page 4,5)



CARC's independent research in the north and the expert opinion we provide to policy-makers. What many people may not know is that we gain our strength working directly with northern communities. Our aim is to help protect the integrity of the northern environment they depend on, and to help ensure their cultural survival.

CARC provides a critical advocacy role in the north. We provide crucial information to northerners to help them understand the global processes that are shaping their world. We also offer the much-needed support to get northerners' messages across to decision-makers, and effectively inspire change.

As the Executive Director of CARC, I am committed to the protection of Canada's last frontier. Many of us live in the south, and yet like the compass needle, we somehow feel a magnetic pull north. The north's harsh climate, its striking natural beauty and diverse peoples give definition to the rest of Canada and to our collective history.

Without the north, we are lost. This region captures our imaginations like no other place on earth – the north is both a constant reminder of our history, and a potent symbol of our future.

I look forward to building a partnership between CARC and invaluable supporters like you, and I very much hope to hear from you in the months to come.

Many thanks,



Karen Wrysten, Executive Director

CARC LAUNCHES

A PLAN FOR THE LAND

WOULD YOU SET OUT ON A NORTHERN WILDERNESS ADVENTURE WITHOUT A MAP OR A KNOWLEDGEABLE LOCAL TO GUIDE YOU? OF COURSE NOT! (YOU WOULD BE FOOLISH — AND PROBABLY SOON DEAD — IF YOU DID!) YET FEDERAL AND TERRITORIAL AUTHORITIES ROUTINELY EVALUATE NORTHERN DEVELOPMENT PROPOSALS ON AN AD-HOC BASIS, FROM ONE INDUSTRIAL DEVELOPMENT TO THE NEXT, WITHOUT CHARTING WHERE THESE DEVELOPMENTS ARE LEADING THE NORTH.

We need to look at the big picture to understand the combined or cumulative effects of various industrial developments. We must understand how the social and ecological "footprints" of development impact the north...

That's why, this fall, CARC is launching *A Plan for the Land*. Throughout this four-year project, we will work with communities, scientists and experts to create a map which the north can use to guide their developmental journey and realistically assess the impacts, risks, and benefits of each proposed mine, industry, port or road.

CARC believes that development should be guided and informed by northern communities, for their benefit, and not at the pressure of corporate interests. The only way that development can be truly sustainable is by balancing long-term ecological integrity with

economic advancement for impoverished northern communities.

A Plan for the Land will ensure northern voices are heard. Our work will help northern peoples chart the course of any new developments, and choose the limits of change they're prepared to accept.

A Plan for the Land will assess the ecological, economic and social impacts of industrial development ranging from the northern shore of Great Slave Lake in the Northwest Territories, to the Coronation Gulf and Bathurst Inlet in Nunavut. While much of these thousands of square kilometers remain untouched wilderness, recent diamond and gold mining developments are driving the NWT's economy, and a new proposed port and road complex near Bathurst Inlet would open the region up to further geological exploration.



Oil, Gas and Pipeline Watch

This region is home to the Bathurst Caribou Herd, the socio-economic and cultural heart of many Native communities. The area is also home to the barrens grizzly, numerous migratory birds and other unique arctic species. CARC will partner with Aboriginal communities to provide real answers to the hard questions that mining companies and governments routinely ignore. For example, we intend to find out how developments affect the Bathurst Caribou Herd and their migration patterns. We aim to assess not just the economic impacts of resource development in the north, but also the impacts on ecology and traditional livelihoods based on diverse and flourishing animal life.

With this project, CARC will be one step ahead of the companies and governments who wish to develop resources at all costs. Instead of simply reacting to proposals, we will create a proactive plan for the north with a sustainable vision for development. We want *A Plan for the Land* to become a map made by northern communities to help address the pressures of outside developers and organize for sustainable growth.

This project requires a long-term commitment on our part, and thanks to your continued support, we're prepared to make history once again.

We invite you to help us build a map to guide the course of the north's developmental journey. By supporting CARC, you will help us launch this critical project to ensure the long-term survival of the Arctic. ❄️

THIRTY YEARS AGO, LEADERS IN THE GAS AND OIL INDUSTRIES PLANNED A MASSIVE PIPELINE PROJECT THAT WOULD CROSS THE NORTH FROM ALASKA ALONG THE ECOLOGICALLY SENSITIVE MACKENZIE VALLEY, UNLEASHING UNTOLD DEVASTATION UPON THE LIVES OF ABORIGINAL PEOPLE AND THE UNIQUE WILDLIFE AND HABITAT IN ITS WAY.

Canadian Arctic Resources Committee was born out of this struggle. CARC was formed to bring independent and informed analysis to the ensuing debate on pipeline development – and its inaugural effort was immensely successful. Working together with Aboriginal groups, environmental researchers and concerned citizens, CARC and its supporters helped ensure northern peoples were heard in the debate and pushed their issues to the national forefront. As a result, the federal government decided to postpone pipeline development.

Pipeline dreams have recently been rekindled as over one billion dollars in oil explorations are expected in the Northwest Territories over the next few years. New pipeline proposals affecting arctic regions such as the Mackenzie Valley are expected between this fall and next spring.

Of course, there are strong political motivations pushing northern pipeline development, particularly from the U.S. as the Bush government has identified energy self-sufficiency as key to future American "homeland security". Canada is rushing to provide a quick fix of energy security for the U.S.

If a Mackenzie Valley pipeline development were built to extract

northern Canadian gas reserves, the benefits to Canadians and northerners remain unclear. Nor would such a project aid Canada in creating cleaner energy sources that help lessen the environmental impacts of our fossil fuel consumption.

And the impacts of the pipeline won't be confined to just the construction corridor. There will be enormous pressure to develop oil reserves on Aboriginal lands, to continue to feed the pipe once it's built. And downstream, it is widely believed that this pipeline will aid the development of Alberta's tar sands. The impacts from seismic exploration, from construction and from additional fossil fuel consumption all need to be fully assessed and northerners need to know the cost and benefit of the pipeline before they say 'yes'.

Thirty years ago, CARC was founded to fight a battle just like this one – and with the help of many supporters like you, we won. With a network of steel pipe again looming on the horizon, we need your help now to keep the north from devastation. With your support, CARC will participate in the public assessment process and bring the potential impacts of new development to light. Once a pipeline is plugged into a fast-track approval process, it will be too late! ❄️

A MESSAGE from the CHAIR of CARC

From the Executive Director



As my first year as Chair of CARC concludes, I realize that it has been a year of great change within the organization. With regret, we said goodbye to past Chair Sandy Hunter, to Tom Yarmon and to Treasurer Henry McKinlay — all of whom served CARC in a variety of capacities over many, many years. Executive Director John Crump moved on to work with the Arctic Council's Indigenous Peoples' Secretariat. At the same time, we were fortunate in being able to recruit Karen Wristen as Executive Director and Penelope Feather as Treasurer. In the short time that Karen has been with us, she has helped strengthen CARC's governance structures and put into place a solid fundraising program to build CARC's resources. Our Treasurer, Penelope Feather, brings a wealth of not-for-profit experience coupled with financial expertise. Both Karen and Penelope provide a dedicated professionalism to the business of CARC.

CARC has continually evolved over its 30-year history. Today, CARC is dedicated to the long-term environmental and social well-being of northern Canada and its peoples. We believe in the application of the principles of sustainable development and precaution. Our policy and advocacy work is grounded in solid scientific and socio-economic research and experience. We address a wide array of northern, circumpolar and international issues — including the revived Mackenzie Valley pipeline proposal.

Throughout this evolution, some of CARC's earliest committee members have remained with us — Robbie Keith and Francois Bregha continue to participate actively in the management of CARC. Today, CARC is looking to northern communities to recruit new members who will assist us in charting a course in this new era of aboriginal self-determination.

Chuck Birchall

THIS IS SUCH AN EXCITING TIME IN CARC'S HISTORY — I AM TRULY GRATEFUL TO HAVE THE OPPORTUNITY TO GUIDE THIS ORGANIZATION AS THE WHEEL COMES FULL CIRCLE AND WE DEAL ONCE MORE WITH THE PROSPECT OF NORTHERN PIPELINE DEVELOPMENT.

Arctic communities are facing unique and enormously difficult challenges. As they try to find a place in the global economy, that same economy is raining toxic chemicals and heavy metals on them from afar, at a rate that is affecting human and animal health. Cultures that have evolved with an infrastructure of ice and snow are experiencing the world's most dramatic impacts of global warming, while debating the merits of hard-wiring their own economies to fossil fuels through pipeline development. And then there are the diamonds... and the gold, silver, copper and dozens of other minerals that *might help* the north find its place in the global economy. But this development *might also destroy* the great barrens caribou herds — unless we can find a way to do it right this time.

CARC is uniquely positioned to assist northern communities as they deal with the challenges they face today. We are the only national organization dedicated to finding truly sustainable solutions to the environmental, social, cultural and economic imperatives of Arctic Canada. Over the years, we have built a solid reputation for quality research, community capacity-building and dedicated advocacy. The need for what we do is only getting greater — and the pace is picking up.

On behalf of the Board and staff, I want to thank all of you who have helped us throughout this year. I invite you to watch for COMPASS quarterly in the coming year, and read about how your support for CARC has been translated into critical and effective programmes.

Karen Wristen

We would like to gratefully acknowledge the generous support of those individual donors who supported CARC over the past year:

The Arctic Circle (Contributors of \$1000 or more)

John Brennan
Guy J. Burry
Henry J. McKinlay
Alvon J. Percy
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The Canadian Arctic Resources Committee

Statement of Profit and Loss as at August 31, 2002

	Ottawa	Yellowknife	Total
INCOME			
Foundation Grants	71,314.24	268,000.00	339,314.24
Deferred Foundation Grants	57,239.17	171,278.93	228,518.10
Direct Mail	64,299.55	–	64,299.55
Community Groups	5,000.00	5,000.00	10,000.00
Donations – Miscellaneous	150.00	–	150.00
Leadership Giving	23,000.00	1,000.00	24,000.00
Government Grants	26,955.21	40,869.00	67,824.21
Cost Awards/Recoveries	1,515.88	38,841.37	40,357.25
Other Income	15,860.65	1,296.56	17,157.21
TOTAL INCOME	265,334.70	526,285.86	791,620.56
EXPENSES			
Salaries and Compensation	139,159.03	158,606.98	297,766.01
Human Resources Expense	27,890.97	9,323.80	37,214.77
Office Expenses:			
Accounting and Legal	15,428.34	398.65	15,826.99
Insurance	3,932.67	81.00	4,013.67
Postage and Delivery	5,354.46	447.40	5,801.86
Facilities	14,329.85	14,656.91	28,986.76
Reproduction and Printing	128.38	58.73	187.11
Office Supplies and Miscellaneous	3,699.17	490.71	4,189.88
Telecommunications	5,951.53	4,191.05	10,142.58
Computer Support	261.29	6,913.27	7,174.56
Total Office Expenses:	49,085.69	27,237.72	76,323.41
Capital Assets	3,159.38	3,053.66	6,213.04
Communications Expenses	21,751.56	3,486.52	25,238.08
Fundraising Expenses	4,967.02	–	4,967.02
Program Expenses:			
Consulting Fees	–	52,945.44	52,945.44
Honoraria	1,500.00	252.00	1,752.00
Production and Design	657.84	192.10	849.94
Total Program Expenses:	2,157.84	53,389.54	55,547.38
General Expenses:			
Travel	14,458.29	22,013.62	36,471.91
Workshops and Conferences	16,028.01	–	16,028.01
Miscellaneous	(3,475.39)	–	(3,475.39)
Organizational Development	–	63.09	63.09
Total General Expenses	27,010.91	22,076.71	49,087.62
Recoverable Expenses	2,254.43	2,343.15	4,597.58
Deferred Revenue	–	–	165,784.65
TOTAL EXPENSES	277,436.83	279,518.08	556,954.91
Excess of Revenue over Expenses	–	–	68,881.00

Audited statements were not available at the time of printing. This statement contains deferred revenue from prior years that we anticipate writing down following the audit. Audited statements may be obtained by contacting CARC.

CANADIAN ARCTIC RESOURCES COMMITTEE

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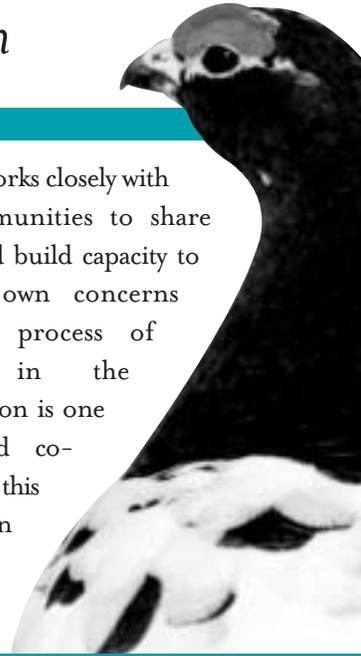
Tom Yarmon (to May 2002)

Standing on Guard for the North *Thirty Years of Action*

OUR VISION

CARC is the only organization of its kind in Canada. Our vision for the north is a future of sustainable development, where economic needs are balanced with long-term cultural, social and environmental integrity. We believe we must make wise development decisions that respect the north and its people for generations to come. We understand the delicate balance of unique arctic ecosystems whose fates will be determined by the decisions we make

today. CARC works closely with northern communities to share information and build capacity to address their own concerns regarding the process of development in the north. Our vision is one of respect and co-operation, and this vision guides us in everything we do.



CARC MILESTONES AND ACHIEVEMENTS

Here are a few highlights from our many achievements during our 30 years of advocacy and action in Canada's Arctic:

CARC was instrumental in securing a **moratorium on oil and gas pipeline development** in the north as a result of our participation in the federal Berger Inquiry;

We sued Diavik Diamond Mines over its environmental assessment and **secured an out-of-court settlement to provide \$400,000** to support rigorous cumulative effects analysis and policy development (2001);

We have **published and distributed more than 100 books and reports** on the north, including *Voices from the Bay*, compiling traditional ecological knowledge in the Hudson Bay region and George Calef's *Caribou and the Barren-lands*, winner of a Governors' General literary award;

On the international stage, CARC effectively intervened in international negotiations and pushed the Canadian government and other nations' governments to support a strong **international treaty ban on Persistent Organic Pollutants** (POPs) such as DDT, PCBs and dioxins. (Stockholm Convention, 2000);

This spring, CARC **hosted an international conference**, "On Thinning Ice". The conference brought northern leaders, scientists, policy makers and public servants together to examine issues that will help shape the development of Canadian policy on climate change and particularly its impacts on the north; and

This fall marks **the launch of A Plan for the Land**: This four-year landmark study is the first project of its kind to document long-term, cumulative effects of development on northern communities and ecosystems in the Slave Geological Province; if successful, CARC will be able to offer this tool as a map to help other northern communities act on new developments.

ACTION ON

CLIMATE CHANGE

MOST CANADIANS HAVE EXPERIENCED SOME OF THE EFFECTS OF CLIMATE CHANGE ALREADY: INCREASED GREENHOUSE GAS EMISSIONS HAVE CAUSED MORE EXTREME WEATHER EVENTS AND HAVE BEGUN TO CHANGE WHERE AND HOW WE LIVE. IN CANADA'S ARCTIC, HOWEVER, CLIMATE CHANGE HAS HAD A FAR MORE IMMEDIATE AND SEVERE IMPACT ON WILDLIFE, ECOSYSTEMS AND COMMUNITIES IN NORTHERN REGIONS.

The ecological balance of our Polar Regions is clearly under assault. Polar ice shelves the size of small countries are breaking off and beginning to melt. Changes in ecosystems and ice cover alter the north's natural rhythms and jeopardize the economic and cultural survival of northern peoples. Animals such as caribou are central to the way of life of some northern communities, and in some areas they are rapidly disappearing.

This Spring, CARC co-hosted a conference, "On Thinning Ice", to respond to increasing concern from northerners about the dramatic changes in arctic ice conditions. The conference brought northern leaders, scientists, policy makers and public servants together to examine the issues shaping the development of Canadian policy on climate change and its impacts on the north.

One clear and consistent theme emerged from the two days of discussions: The threat of climate change is real and we are largely

unprepared to meet it. Tragically, humans are having an enormous, unprecedented impact on the global ecosystem.

Most Canadians are aware that climate change alters micro-climates and animal migration patterns with potentially disastrous effects. But climate change also presents new challenges and some serious security concerns: If the northwest passage melts as predicted, this would open up Canada's undefended Arctic Coast to sea-going vessels, water piracy, waste dumping, oil spills and could *even threaten Canadian sovereignty.*

With such potentially disastrous effects for Canada, CARC needs your help to take action:

- Urge political leaders at the federal and provincial levels to ratify the Kyoto Accord as a first step toward slowing climate change; and
- Push our provincial and federal governments to take further steps to combat climate change and its severe impacts on the north. ❁

TOXINS

POISONING THE NORTH

Your support of CARC has helped bring the dream of global elimination of toxic chemicals such as PCBs, DDT and dioxins closer to reality. And yet many such poisons – known as persistent organic pollutants or POPs – are still used in many countries around the world, and unfortunately the Arctic acts as a sinkhole for these toxins. Their residues are carried northward on wind and water currents and eventually deposit themselves in arctic air and water where they are absorbed by animals and people.

These poisons come from regions half a world away, and accumulate in the fatty tissues of animals and humans, and are passed on to babies through their mother's breast milk. (Our federal government has been aware of this tragic phenomenon since 1985, when Canadian scientist Eric Dewailly made the disturbing discovery that Inuit women had much higher concentrations of POPs in their breast milk than other Quebec women tested.)

This is an especially urgent issue for northern communities. Toxins such as PCBs and mercury are found at alarmingly high levels in marine mammals and Aboriginal people who depend on them for food. The potential effects of these dangerous toxins on humans include cancer, allergies, damage to the central nervous system, reproductive problems and disruption of the immune system.

continued...

YOU CAN TAKE PART IN OUR CAMPAIGN TO CURB CLIMATE CHANGE:

GO TO www.carc.org and CLICK TO SEND A MESSAGE ON CLIMATE CHANGE

With the help of people like you, just a few years ago CARC worked with northern indigenous groups and more than 250 international groups to bring about a worldwide commitment to eliminate the worst of these destructive substances.

While the Stockholm Convention (2000) was a first step, we need your help to persuade our political leaders to follow up with their commitments to ban these

chemicals. We also are urging international leaders to apply the precautionary principle: This means countries would not only phase out all current known POPs, they would also ban production of any new POPs. Banning all POP production is the only way to eliminate toxic chemicals from the environment and protect the future health of people living in the Arctic.

Because these toxins have global

sources, they require global solutions. CARC continues to fight on the international stage for an agreement to curb the emissions of mercury and other dangerous substances. As well as global action, we continue here at home to raise awareness of the harmful effects of POPs – and to provide information to northern communities whose health is being threatened by these poisons. 🌍



AS A CARC SUPPORTER, YOU ARE A
GUARDIAN OF THE CIRCLE.

For the past thirty years, CARC has given the north its only national voice. And thanks to supporters like you, we are the most influential advocacy organization on behalf of northern people and the unique environment they live in. With your help, we act as the first line of response when the north and northerners are threatened. Your support makes us an effective watchdog and guardian of the north, intervening when necessary to advocate for the strictest environmental standards and community safeguards.

We would like to thank you for all your help – you’ve helped us achieve so much! With your renewed support in our thirtieth year, CARC will continue its vital work to protect wildlife, ecosystems and communities from harm. We invite you to join us once again.

You can help us even more by joining our Web of Life Monthly Giving Plan. By giving a small, automatic monthly contribution, you help CARC in more ways than one: This method of giving allows us to respond quickly to immediate threats, and it also helps us plan and budget for important work throughout the next year. Supporters who have joined also tell us it’s more convenient for them! If you’d like to become the newest member of the Web of Life, please simply fill out the reply enclosed in this package.

If you’ve any questions about the Web of Life Monthly Giving Plan, or would like to know how your gifts will help, please call us at

(613) 759-4284

or email us at

info@carc.org

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