

Capitalism in a Cold Climate

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Volume 19, numéro 2, spring 1990

URI : https://id.erudit.org/iderudit/acad19_2re04

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Éditeur(s)

The Department of History of the University of New Brunswick

ISSN

0044-5851 (imprimé)

1712-7432 (numérique)

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Citer ce document

Ommer, R. E. (1990). Capitalism in a Cold Climate. *Acadiensis*, 19(2), 197–212.

the birth process. Work on British Columbia is presented as a case study exploring large historical questions. On the one hand, this is positive. The most devastating insult that can be hurled at a British Columbia scholar is to be accused of parochialism or provincialism. By locating discussions in a national context scholars inject fresh ideas into the interpretation of provincial history and contribute to national debates. On the other hand, avoiding parochialism undermines the vigour of provincial historical writing. Education historians in British Columbia debate with scholars in Ontario about issues of common interest as do women and labour scholars. There is little internal discussion within the context of British Columbia, few flashpoints which stimulate arguments among researchers from different sub-fields and encourage new research and home-grown interpretations. Without generating provocative historical questions, British Columbia historiography will remain a rather loosely-conceived entity. If British Columbia itself is a legitimate field of study, then labour, education and women's historians can all make a contribution. A pinch of parochialism would spice up scholarship in the Far West. Furthermore, without a strong sense of localism it remains unclear whether the emerging perspective of British Columbia as a province *comme les autres* is a more accurate perception of the past or whether it mainly reflects the nature of the questions being asked, questions prompted by national trends.

GORDON HAK

Capitalism in a Cold Climate*

IN 1984, IN AN IMPORTANT INTRODUCTORY essay to a small volume entitled *Essays in Canadian Business History* (Toronto, McClelland and Stewart, 1984), Tom Traves wrote that while business history had "not yet become an academic specialty in Canada....our knowledge of the Canadian business system [had] increased enormously" (p. 5) as a side-benefit of work in other fields. He hoped that systematic and focussed study of Canadian business would develop in its own right and not be confined to entrepreneurship and administrative studies or to either the "hagiographical or muck-raking traditions" of the past. The essays in his volume — a sample of part of what might constitute a field that could legitimately be called business history — dealt with the pre-industrial business system, transformation of the commercial economy, entrepreneurship and development strategies, the nature of the industrial firm, scientific management, banks, business-government relations, tariffs and the multinational corporation (MNC). In 1989 it appears to me that there is not yet the kind of cohesion that is the hallmark of a developed sub-field, despite a slow but steady output of works

in these areas of interest. Indeed, one of the problems of this review is that a really comprehensive assessment of the literature still needs to look at work done in other areas, particularly in economic history but also in social, labour and maritime history, as well as other disciplines in the social sciences. Moreover, work that is pertinent to the Atlantic region is still hard to come by: very little indeed has been done, despite the tantalising hints contained in Acheson's justly-famous 1972 essay on the National Policy and industrialization in the Maritimes which showed (among other things) that there was a business history of Atlantic Canada to be written, that it could be done, and that it would be central to a balanced understanding of regional development or lack thereof.¹

This review essay, then, suffers from two handicaps: an unfocussed field which has not yet 'gelled', and very few books (although there are some essays) on the region. Nonetheless I do not consider an overview of the existing literature premature at this point if only because, while Atlantic business history does not yet truly exist, it is badly needed. It is therefore worth pointing up what we know now with an eye to how business history in this region might develop. I have chosen a rather broad selection of works with which to do this: Armstrong and Nelles' *Monopoly's Moment* (a sectoral analysis which illustrates one vital issue in business history); Bliss' *Northern Enterprise* (a global, but biased, approach); Mahon's *Politics of Industrial Restructuring* (ideologies and how they influence the context in which business functions); Clark-Jones' *A Staple State* (cold war influences on business and politics); Traves' *Essays in Canadian Business History* (a range of approaches); Borins with Brown on *Investments in Failure* (government in business); Forster's *A Conjunction of Interests* (part of the history of freer trade); McCalla's *Perspectives on Canadian Economic History* (for more variety); Marchak, Guppy and McMullan's *Uncommon Property: the Fishing and Fish-Processing Industries in British Columbia* (a rare study of the fishery as business); and, for the region, two studies: Lee's *The Robins in Gaspé* (for the biographical approach to a firm) and Samson's *Fishermen and Merchants in 19th Century Gaspé* (for a very useful methodology).² Throughout, I was

* The author wishes to thank Greg Kealey, Jim Hiller and Andy den Otter for helpful comments and suggestions.

- 1 T.W. Acheson, "The National Policy and the Industrialization of the Maritimes, 1880-1910", *Acadiensis*, I, 2 (Spring 1972), pp. 3-28.
- 2 Christopher Armstrong and H.V.Nelles, *Monopoly's Moment. The Organization and Regulation of Canadian Utilities, 1830-1930* (Philadelphia, Temple University Press, 1986); Michael Bliss, *Northern Enterprise. Five Centuries of Canadian Business* (Toronto, McClelland and Stewart, 1987); Rianne Mahon, *The Politics of Industrial Restructuring. Canadian Textiles* (Toronto, University of Toronto Press, 1984); Melissa Clark-Jones, *A Staple State. Canadian industrial resources in Cold War* (Toronto, University of Toronto Press, 1987); Sandford F. Borins with Lee Brown, *Investments in Failure. Five Government Corporations that Cost the Canadian Taxpayer Billions* (Toronto, Methuen, 1986); Ben Forster, *A Conjunction of Interests*.

mindful of the current (although not Canadian) bible in the field — Chandler's *The Visible Hand* — which has been a major influence on the writing of economists, geographers, sociologists and historians interested in business since its publication in 1977.³ It is Chandler who, more than anyone else in the last 30 years, has established business history as a field in its own right by creating a general model of the evolution of business operations in the New World and by asking the kinds of questions that legitimized business history as “an independent and important area for study”.⁴

Insofar as labels are useful and necessary — because they set limits and create functional boundaries which will (and should) always be fuzzy at the edges — the contents of these books, and the approaches used therein, suggest for the most part that Canadian business history still needs to discover what it is, and what it is not: of the panoply of works I considered, only Traves' collection, Armstrong and Nelles' book, and Bliss' survey set out to be conscious exercises in business history. Nonetheless it is, I think, legitimate to explore what all these studies have in common that might constitute an embryonic sub-field, in what fruitful directions they may point (for work at the national as well as at the regional level) and what warnings may be drawn from them too. It is a truism that the Canadian economy writ large was created, in the first instance, out of the exploitation of resources which then led to a number of different development paths for different parts of the economy over time. Within the confines of geography, geology and climate, however, there is nothing inevitable about how things have turned out (traditional staple theory notwithstanding) and one of the principal tasks of business history may be to demonstrate that empirically. That Canada is a 'staple state' (Clark-Jones) is certainly still true, but why that should be the case is a very interesting question and one with which some of this literature attempts to come to grips. In the process, the role of political and economic ideologies begins to be integrated into a picture of the evolving Canadian economy in new and provocative ways. Clark-Jones and Mahon deal with this issue most directly, but it is to be found too in Armstrong and Nelles and in Bliss, as well as in some of the essays in Marchak *et al.*, McCalla and Traves.

Business, Politics, and Tariffs 1825-1879 (Toronto, University of Toronto Press, 1986); Douglas McCalla, *Perspectives on Canadian Economic History* (Toronto, Copp, Clark, Pitman Ltd., 1987); Patricia Marchak, Neil Guppy and John McMullan, eds., *Uncommon Property. The Fishing and Fish-Processing Industries in British Columbia* (Toronto, Methuen, 1987); David Lee, *The Robins in Gaspé 1766-1825* (Markham, Fitzhenry & Whiteside, 1984); Roch Samson, *Fishermen and Merchants in 19th Century Gaspé* (Hull, Supply and Services Canada, 1984).

3 Alfred D. Chandler, Jr., *The Visible Hand. The Managerial Revolution in American Business* (Cambridge, Massachusetts, 1977).

4 Review by Leonard S. Reich of Thomas K. McCraw, ed., *The Essential Alfred Chandler: Essays toward a Historical Theory of Big Business* (Boston, 1988) in *Isis*, 80, 1 (1989), p. 11.

Mahon's *Politics of Industrial Restructuring* sets up in compelling fashion the whole issue of the Canadian staples mentality (really, *mentalité*) as an issue of competing visions of what Canada is and what it might become. She challenges her readers to consider why Canada is still a staple state, why there remains a "staples fraction" in the corridors of power, why there has been a weak transition to industrial capitalism in this country, whether or not the problem is a Canadian psyche that is somehow, or for some reason, inherently conservative and dependent...a whole series of questions many of which have been asked before, but which only she has confronted as one package. One of the things that struck me about this book was how useful the approach would be at the regional level. Atlantic Canada is still a staple-based economy; we still seek economic salvation in staples such as oil and gas even when the price of a barrel of oil means that we are more likely to lose money in the process than to turn the sands of Sable Island into a northern Kuwait. Have we inherited some lack of entrepreneurial imagination (the old hoary failure of entrepreneurship argument) or do we, at the regional level, also suffer from an entrenched political staples fraction such as Mahon posits (and demonstrates rather convincingly) for the nation as a whole? And, if so, why? At the national level, Mahon claims that Canada is threatened by deindustrialization because the state remains "concerned to provide conditions conducive to the continued expansion of staples exports" but recognises at the same time that "some form of industrial strategy is required if industrial capitalists and the workers they employ are to continue to consent to the domination of the staples fraction" (p. 13). There follows an overview of Canadian economic history which traces the compromises that were made from the late 19th century through to the early 1970s, by which time the national economy was caught in an increasingly obvious contradiction between the competing development strategies of enhanced staple exports and increasing import substitution. Tied into these two different visions, of course, were (and are) the continentalist and nationalist views of the Canadian economy, with all the attendant complexities of opposing political and economic ideologies that have been central to the debate on freer trade. This is a satisfyingly broad conceptualisation of Canadian development, and one which Mahon tests for the textile industry in a book which uses the case-study approach to full advantage. Indeed, her perception of how this Quebec-centred industry has used its provincial status to manipulate the state is insightful, and suggestive. Pointing out that the struggle between 'continental rationalization' and 'technological sovereignty' has to be waged by sector and by region, she notes that if the regions are to capture the political interest of the larger state apparatus, then they must find the conjunction of interests (significantly, this is the title of Forster's book) that will make it imperative for the nation to seek a compromise with them. Quebec has succeeded in doing this: separation is a powerful weapon in this game. I find her

approach appealing. As Buckner and Howell have noted recently,⁵ to feel victimised is to emphasise powerlessness; it is healthier to ask what this region has that Canada needs, and how that can be utilised in a positive way to promote our value (for ourselves as well as for the country) within the larger whole. What contribution might business historians make in this context?

Forster's *A Conjunction of Interests*, explicitly subtitled "Business, Politics, and Tariffs 1825-1879", takes the investigation of politics and business back in time to look at the creation of a 'national' economy out of the complex of events that were generated by the British move towards *laissez-faire* and the consequent adjustments that occurred in the British North American colonies, culminating in the National Policy. What Mahon saw through the lens of one 20th century industry and industrial restructuring, Forster sees through the eyes of the businessmen of the 19th century (particularly those in the crucial manufacturing sector) and their response to tariff making as "an expression of interest group politics" where "commercial, staple-producing, and manufacturing activities defined the character of agitation" on the issue (p. 3). He is, in effect, charting the beginnings of the staples versus industrialization conflict and the necessary temporary conjunctions of interests that Mahon discusses for a later age. Like her, he is well aware of the tensions between national and continental visions that were inherent in the issue and the balancing acts that were required to achieve the end result. Forster asks the right questions — about the inhibition of entrepreneurship and technological innovation, for example, and about the need for protection "to weld a fragmented Canada into a united one" (p. 119) — and he is aware that the Reciprocity Treaty hurt the inshore fisheries (pp. 71-2), although it probably helped manufacturing concerns in Nova Scotia. The result is a study that deals with the Canadian debates around tariffs in all their richness, complexity, self-interest and national interest. He concludes with what might seem like an avoidance — "Whether it was for the good of the country remains open to debate" (p.206) — but this is the only intellectually honest position that he could, I think, take.

The issue here is really that Canada sits, and has sat historically, on the horns of a dilemma. On the one hand, if protection is to be spurned, a small open economy is left vulnerable to large power structures elsewhere: the French or United Kingdom metropolises until and beyond Confederation,⁶ then the United States and thereafter the 'global economy'. Moreover, these are beyond the

5 Colin D. Howell, "Economism, Ideology, and the Teaching of Maritime History" in P.A. Buckner, ed., *Teaching Maritime Studies* (Fredericton, 1986), p. 22; Phillip A. Buckner, "'Limited Identities' and Canadian Historical Scholarship: An Atlantic Provinces Perspective", *Journal of Canadian Studies*, 23, 1 and 2 (Spring — Summer 1988), p. 192.

6 Dale Miquelon, "Havy and Lefebvre of Quebec: A Case Study of Metropolitan Participation in Canadian Trade, 1730-1760", in Traves, *Essays*, pp. 24-46.

control of the state. On the other hand, a real danger of protection, from the nation's point of view, is that it can harbour mediocrity and encourage the creation of unacceptable power structures inside the national boundary — local monopolies, that is, which merely reduce the size of the stage on which essentially the same power game is played out. Once into the age of multinationals and monopoly capitalism, of course, protection or freer trade are polarities neither of which solve the problem of power and control, but merely define (and that in a limited way) the geographical boundaries of the game. Today, and since at least the 1940s, the real issues are where the national economy sits in a global economy, what the scales of operation actually are (as opposed to posturing), where effective protection is needed and possible, and how that can be achieved without undue costs either to the consumer or to the nation in terms of value and quality. The *reductio ad absurdum* of the entrepreneurial logic of free enterprise is that competition produces a winner: a monopoly that exists is moral because it has beaten out all adversaries in a fair fight. The business and political rhetoric for free enterprise usually states that competition will reduce prices, improve quality and entrench a number of competitors who constantly strive for comparative advantage in the (implicitly perfect or at least near-perfect) marketplace. But of course this is not the way it is if only because, even if considered historically, there are very few stable 'perfect' marketplaces (curiously, the tramp sailing ship industry came about as near as one gets). Competitive forces are rarely equally balanced; nations, regions and places are rarely equally endowed with resources (in the broadest sense of that word, including power, education, wealth, goods and the like); and so inequality is the base from which everyone actually starts, although the anti-protectionist rhetoric ignores that fact. Nonetheless, this is why tariffs are used; they are a political weapon ostensibly to be wielded only when it is essential to even up inequalities in the marketplace.

Traves' article in his collection ("The Political Economy of the Automobile Tariff, 1926-31") deals with a situation in which foreign strategies to avoid the effects of tariffs can result in a whole new game plan.⁷ He argues unequivocally that the Canadian automobile industry was "a creature of the tariff" (p. 134), a branch plant industry developed by Americans in order to jump the tariff wall. In 1926 Canada made changes in that tariff designed to create at least some "indigenous auto production". Once again, industrial development and politics were closely related and Traves remarks that "after 1926 political and institutional imperatives affected the course of structural change in the Canadian industry at least as much as the changing nature of the market" (p. 150).

Books and articles like these on the related topics of tariffs, freer trade, industrial restructuring and the like, all suggest that there is one large theme here

7 Traves, *Essays*, pp. 134-50.

which business historians are admirably situated to investigate. It is, too, a theme which already has an historiography of sorts behind it. The roots of this debate are to be found in works like George Grant's *Lament for a Nation*, Mel Watkins' *Innovation in a Cold Climate*, Kari Levitt's *Silent Surrender*, and Britton and Gilmour's report for the Science Council of Canada entitled *The Weakest Link*, which helped to fire the debate about nationalism and underdevelopment two decades ago.⁸ It is appropriate that business historians should now tackle the issue in a different age from a different perspective, and it is important that regional historians should become part of this — something that did not really happen in the earlier literature, which seemed often to be written in the core and about the core. In this respect, it was encouraging to find Forster aware of Atlantic Canada in a book about tariffs and, moreover, aware of the inshore fisheries and the problems that they had to face as a result of being a bargaining chip in a wider game play.

Clark-Jones' book on Canadian industrial resources in the Cold War era develops the theme further, arguing that Canada (according to Harold Innis) possessed "an underdeveloped industrial base reliant on staple exploitation and export and vulnerable to the directing and shifting winds of external control", and seeking to identify through "concrete evidence" the role of the Canadian state in the "facilitation of a strategy of industrial resource development" that she calls "continental resource capitalism" (p. vii). In a series of regional staple case studies — energy, mining and forest resources — she seeks to show that the "productive, ideological and often military goals of state and monopolized industries frequently do coincide", although "actual war is not necessary to their survival and generation of profit" (p. ix). The book strips away the rhetoric of state and industry to demonstrate a massive and intentional collusion between them to create capital accumulation and vast wealth for a few private interests which is promoted as concern for the national interest (state) and economic efficiency (industry). It works, in that the overall thrust of the evidence is compelling, and fails in that the building of implication on innuendo, supposition on likelihood, general statement on particular case, means that what purports to be a demonstrated situation is reduced to a probable scenario. Moreover, some serious questions are ignored: what's in it for the functionaries of the state to go this route? (Mahon could answer that one), and what realistic alternatives exist(ed) given the nature of western capitalism and *de facto* power structures? This study is a prime example of how much empirical work needs to be done at

8 George Grant, *Lament for a Nation* (Toronto, 1965); Kari Levitt, *Silent Surrender* (Toronto, 1971); Mel Watkins, *Innovation in a Cold Climate: The Dilemma of Canadian Manufacturing*, Science Council of Canada Policy Report No. 15 (Ottawa, 1971); John Britton and James M. Gilmour, *The Weakest Link: A Technological Perspective on Canadian Industry Underdevelopment*, Science Council of Canada, Background Study No. 43 (Ottawa, 1978).

the micro-level before broad generalisations (indeed accusations) of this kind can be relied upon. But the thesis is an important one, impinging on (for example) regional small businesses and the difficulties they face by suggesting that state control of prices for raw materials and labour such as occurred in order to allow stockpiling of 'strategic' resources (newsprint, nickel, opium and natural hog bristles were all on the U.S. strategic materials list in the 1950s [p. 108]) has "facilitated large-scale, at the expense of small-scale, capital accumulation" (p. 105). There is, here, a fruitful field of endeavour for business historians at the national level, and at the regional level too, where productive resources have all too often fallen into the hands of foreign control. I was reminded of David Alexander's pungent comment (with respect to multinational corporations in Newfoundland) that "Gigolos have an excellent eye for the purses of ugly maidens and hopeful widows".⁹ How uncomfortable to think of the state in parallel terms; yet this is the implication of Clark-Jones' work and, if she is right, the prognosis is not favourable. Setting her conclusions firmly within the nationalist/continentalist debate, she states that "The potential material bases for a national industrial strategy have been tossed aside, as frontier fossil fuels and hydro itself have come to be treated as staples for quick sale and export by giant corporations with no responsibilities to future development of manufacturing or job stability" as a result of "long term practice within the upper echelons of power, where political and economic interests meet" (p. 224). Read together with Mahon — for the two works are in many ways complementary — the staple state begins to become a very unpleasant entity to consider altogether.¹⁰

One work which does deal with political ideologies and industry at the regional level through the use of careful and detailed case study is the collection by Marchak *et al.* on the fisheries of British Columbia. Wrong periphery? Not at all — there are many lessons here for historians in Atlantic Canada. Marchak rejects the usual common-property explanation of an uneconomic fishery in favour of one which points to political support for excessive private capital accumulation in the industry: "instead of talking about the 'tragedy of the commons' ", she insists, "we should be concerned with the tragedy of mismanaged state property" (p. 5), and the book then reviews the B.C. fishery sector accordingly.

9 David Alexander, "Development and Dependence in Newfoundland, 1880-1970", in E.W. Sager, L.R. Fischer and S.O. Pierson (compilers), *David G. Alexander, Atlantic Canada and Confederation: Essays in Canadian Political Economy* (Toronto, 1983), p. 9.

10 I cannot leave this work without one complaint about its production. It is a long time since I have seen so many typesetting errors in a book: often two and sometimes three on a page; 'subsidies', 'purshed' and 'continet', for example, all occur on p. 131, and when 'belied' comes out as 'believed' (p. 191) a difficult text becomes well-nigh impossible to read without serious distraction and considerable irritation. The author has not been well served by the University of Toronto Press (The State and Economic Life series) in this instance.

This is fine work, some of it historical, dealing with issues which are pertinent to national and regional fisheries anywhere in the First World, such as the problems surrounding stock crises and international jurisdiction, rural poverty and un- or under-employment, commercial versus sports fishing, regionalism and dependence, competition between firms and even between fishers. There is a crying need for such a study focussing on Atlantic Canada.

Also concerned with the interplay between state and industry (business historians in Canada are fascinated by political economy and the connections between big business and the regulatory apparatus of the state, as the series Preface in this book observes), *Monopoly's Moment* by Armstrong and Nelles stands as a model of how to blend micro- and macro-level analysis, and co-ordinate regional and national concerns, so that the end-result is a meaningful whole. It is also an important one, because a "large public sector anchored by huge provincial utilities remains one of the most distinctive features of Canadian industrial structure" and thus a history that looks at "the organizational and regulatory problems" (p. 4) that they share is of necessity consequential. What this book does supremely well is to demonstrate the limitations of both competition and regulation, and the manner in which first the one, then the other, would typically come about. Thus (speaking in this instance of street railroads) the authors observe that "in a narrow business sense, tough-minded executives in Toronto and Montreal had succeeded in their primary goals, but by the late 1870s they were the only people in their respective cities who were at all satisfied with their performance" (p. 45); the need to temper "businesslike management with some kind of regulation in the public interest" (p. 46) became apparent. On the other hand, "graft is a signal that politics is important....that politicians momentarily controlled their [companies'] fate" (p. 84). Armstrong and Nelles understand the balancing act that is required to maintain the legitimate interests of both private capital and public well-being. The purpose of business is understood (and accepted) as being to make money, while monopoly is designed to achieve that. The purpose of government, however, is not to make money but to organise and guide the resources of the nation for the good of all as efficiently as possible. Unlike Bliss, these scholars recognise that markets can and do fail, or can be (and may need to be) circumvented. Regulation is a legitimate alternative to competition as a "way of controlling business for socially desirable ends"; it is "one of the primary functions of modern government...to select...the socially optimal instrument of economic regulation, a process that also necessarily embodies goals" (p. 187). This is a much more pragmatic assessment than that contained in Bliss' introduction where he states that "even the most successful competitors cannot close their markets for very long.... The invisible hand grinds on, sometimes slowly, always inexorably, and its power always wears down the structures created by human hands" (p. 10): a curious kind of hagiography, this reverential attitude to transactions set in motion by what are still, when all is said and done, human hands. And yet, Bliss' sincerity is not to be denied: his is an ideology of

free enterprise, a belief system, and he is (as Jacques Ferland noted in a recent review of Bliss, Armstrong and Nelles, and Brian Young) "the archetypal representative of the neoclassical tradition".¹¹ His book, then, represents his personal view of Canadian business history and, while I can acknowledge the tenacity and indeed passion with which he defends this vision, I cannot do other than warn about the unremitting consistency of his bias. I do not regard *Northern Enterprise* as business history but as an *apologia pro vitae suae* for the Canadian business establishment, past and present.

Nonetheless, the difference in perspective between Armstrong and Nelles on the one hand, and Bliss on the other (which is certainly not to be taken as a debate between the right and the left¹²) points to the second major theme in business history as it is currently being written — the role of government inside the national boundary, as opposed to across it, though the two can (and often do) also intertwine. Monopoly in Canadian business is an ongoing and ideologically loaded concern, making the measured (in both senses of the word) judgement of Armstrong and Nelles all the more welcome and pointing towards the kind of balanced interpretation that business history should exist to provide. Moreover, that balance extends to regional assessments as well, where the existence or not of economies of scale could make all the difference (in hydro rate reductions, for example, "the crucial issue was often not public or private ownership but the nature of resource endowment and the level of regional economic development" [p. 309]). Nor do they forget the costs incurred by distance which could render some infrastructural expenditures necessarily a matter for the public rather than the private purse. There is in this book something of the kind of breadth, of sensitivity to complexity, that is needed in business history, national or regional. What is still lacking here, however, is a way of integrating analysis of the labour force into the picture that is being painted; a section entitled "Class against Community" does not do the trick. Perhaps it cannot be done within the framework of a history that is focussed on business and not labour, since the questions asked would have to start from a different set of premises, but it limits the book. Nonetheless, Armstrong and Nelles do have a vision of business which is not narrowly conceived. In their conclusion, entitled "Markets of the Mind", they explain that these are "images of institutions and norms, which determine what is fitting, just, and acceptable in transactions". There is an image of the exchange economy, trading goods and services; of the political market, defining what is acceptable through the political process; and of the moral economy which is "a

11 Jacques Ferland, "Business History and the Buried Treasures of the Theory of Value", *Labour/Le Travail*, 23 (Spring 1989), pp. 235-46.

12 See Ferland, "Business History", pp. 242-5, for an evaluation of this book specifically from the point of view of Marxism and class analysis.

less well-understood realm of just price, trust, equity, and legitimacy, where religious and secular ethics reign" (pp. 322-3). In Canada, this mind-set has resulted in "a conviction that community property could be managed with equal satisfaction and legitimacy by both public and private agencies. It was a political and intellectual legacy that Canadians would never shake off" (p. 328). How much healthier this is than being helpless in the grip of the unseen hand where "Neither public nor private organizations had the power to control their destinies. Markets, competition, great economic forces frustrated all the visible hands of the managers, planners, politicians and forecasters".¹³ Good business history research can prove which vision is more accurate, and it will probably do so most effectively through the case study where Bliss' "great economic forces" acquire names and faces.

A subset of this second major theme is the study of government in business which is dealt with in Borins with Brown's book, *Investments in Failure*. This book was easy to read, but hard to take, charting a tale of mismanagement, misguided policies and misdirected funds in projects located in Nova Scotia (Deuterium), New Brunswick (Bricklin), Quebec (Canadair), Manitoba (Churchill Forest Industries) and Ontario (Consolidated Computer Incorporated). Its value lies in its exploration of the contention that "certain types of socially desirable investment are too large and/or too risky for the private sector to undertake" (p. 1), a different version of Armstrong and Nelles' point about government providing infrastructure for the purposes of regional economic development where private enterprise is unwilling or unable to do so. Borins and Brown set out openly to make the case against Canadian governments (federal or provincial) as venture capitalists, concluding that they have not been good at the job, being poor at appraising loans, weak in monitoring the enterprises in which they had become involved, and too soft-hearted in the criteria they used for deciding when to terminate loans (p. 148). This is not a condemnation of public enterprise *per se*, however; indeed, the authors specifically say that they "are not claiming that it is impossible for any government anywhere to play successfully the role of banker" (p. 148). They point to Japan, where (they claim) the Ministry of Trade and Industry is highly successful because of good bureaucratic organization and cultural attitudes which encourage the kind of training and career advancement paths that are conducive to success in this type of enterprise. The book concludes with a series of recommendations about how Canada might improve its public enterprise performance, improved monitoring being the *sine qua non* of future experiments. This, it is suggested, might restrict the ability of governments to "use public money to buy political power" since proven "waste and inefficiency will generate an unpopularity that may constrain

13 Bliss, *Northern Enterprise*, p. 551.

the political impulse to throw money at marginal voters" (p. 158). Well...but I was reminded of R.A. Young's recent essay where infrastructure was pursued by the post-war New Brunswick government because it "nourished the clientele systems and posed no threat to established business interests".¹⁴ Sometimes the world is not quite as malleable as one would wish, even if one knows what is wrong and something of what could be done about it. Young's essay is valuable because it makes the difficulties involved in overcoming entrenched patterns of behaviour very clear. It takes up the issue of patronage and the public purse, identifies the different potential options that existed after the war, and then explores not only what was done but why that was so, despite the existence of a carefully-crafted and logical development strategy based on evidence that "forestry outweighed agriculture, that secondary manufacturing was more significant than primary industry, and that capital-intensive industries were most vital" (p. 142). But little was done to redirect the economy; instead hydro was developed, social welfare programmes increased and roads were built. Mahon would say that the staples fraction won out; Young observes that "change was resisted by economic elites...upon whom the party system rested and to whom the government was most responsive" (p. 159).

Finally, there remains the work that does not fall into the political economy bracket, or at least not obviously so. Some of this is clearly business history as narrowly defined. Lowe's overview article in Traves on "The Administrative Revolution in the Canadian Office", for example, is a good study of how the modern office has become more rationalised through specialisation of tasks along lines familiar to readers of Chandler.¹⁵ "Without clerical procedures as efficient, predictable, and regimented as the factory assembly line", notes Lowe, "managerial control over external and internal factors affecting organizational goals would be diminished" (p. 132). This is a tidy piece of work, with implications for theory in business and labour history. Again, Craven and Traves' paper in McCalla's *Perspectives on Canadian Economic History*, is a useful study of railway entrepreneurs not only as industrial producers (manufacturers and technological innovators), but also as agents in the creation of employment for local labour forces, and as generators of local supplies of goods, indeed a whole range of spin-off activities which impinged on the growing Canadian economy.¹⁶ The companion paper in the same volume by Sager and Fischer on Atlantic Canadian shipping also looks at entrepreneurship in that industry, although

14 R.A. Young, "'and the people will sink into despair': Reconstruction in New Brunswick, 1942-52", *Canadian Historical Review*, LXIX (1988), p. 127.

15 Traves, *Essays*, pp. 114-33.

16 Paul Craven and Tom Traves, "Canadian Railways as Manufacturers, 1850-1880" in McCalla, *Perspectives*, pp. 118-143.

there could be here no issue of spin-off development given the collapse of investment in the industry in the late 1870s and 1880s.¹⁷ However, these two papers sit on the (blurred) line between business and economic history, and I suspect fall over onto the economic side. This is not a criticism; it is a matter of what questions do or do not get asked, what documents do or do not get examined. It might pay a regional business historian interested in transportation to look, for example, at the letterbooks, journals and ledgers of a small manufacturing company making sails for sailing vessels or internal fittings for railway carriages to begin to get a handle on the spin-offs for small business from these larger enterprises and the expanding consequences of success, or the shrinking ones of failure, in them. It would, I think, tell us a surprising amount about the buoyancy of regional businesses, their capacity to adjust, transform or get out. It might also really begin to tackle the whole thorny issue of poor entrepreneurship which will only finally be laid to rest when the dollars and cents can be counted and the responses of individual firms in the local context of their age can be evaluated. The time is ripe for this kind of business history in Atlantic Canada.

So far, however, very little has been done. There is Lee's book on *The Robins in Gaspé*, but that is really a biography of the Channel Islands firm of CRC, and it does not attempt to come to grips with this kind of question. There is also Samson's work on *Fishermen and Merchants in 19th Century Gaspé*, but it is concerned with that relationship from the point of view of the labour force; it is not a business history of a firm, although it does make innovative use of account books and demonstrates how useful a source they could become for historians in the region. Again the paper by McKay on the Halifax Baking and Confectionery Industry (in Traves' collection) does not ask quite the kind of questions that business history might wish answered, since McKay (like Samson) is concerned with the labour force and division within the working class.¹⁸ Frost, however, on the " 'Nationalization' of the Bank of Nova Scotia" is right on target, dealing directly with the issue of regional collapse in the teeth of the rationalisation of finance capital at the national and international levels.¹⁹ We need much more of this kind of study if business history is to become a reality in the region.

It seems, then, that business history at present is coalescing around two major themes and a number of smaller ones. First, there is the abiding fascination with the interface between politics and the economy. This may take shape around the

17 Eric W. Sager and Lewis R. Fischer, "Atlantic Canada and the Age of Sail Revisited" in McCalla, *Perspectives*, pp. 97-117.

18 Ian McKay, "Capital and Labour in the Halifax Baking and Confectionery Industry during the Last Half of the Nineteenth Century", in Traves, *Essays*, pp. 47-87.

19 James D. Frost, "The 'Nationalization' of the Bank of Nova Scotia, 1880-1910", in Traves, *Essays*, pp. 88-113.

issues of nationalism versus continentalism in a debate about the appropriate scale at which the economy should operate. In business history particularly this devolves into questions about how business and politics come together in the particular sphere of national and international dealings — tariffs, multinational corporations, international understandings and conjunctions of interest. Within the national boundary, the issue may be nationalism versus regionalism, or it may be the extent to which the state should or should not (and has or has not) become involved in the operations of business, either as facilitator, moderator or even player. And, of course, there are connections between these. Beyond that there are a number of other studies which may or may not touch on the wider contexts, but which do not use one of them as a central concern. Studies of individual firms may be simply biographical or set in the context of economic and political structures, or designed specifically to explore power relationships with local, provincial or national bodies.

Three questions, then, remain to be asked: what *is* business history; where would a potential regional business history fit here; and why has no such subfield begun to emerge in Atlantic Canada? The distinction between labour and business history is quite clear, because the questions being asked are clearly different, although whether that need always be the case is another matter. The real fuzziness is between economic and business history, as I have noted, and while my personal distinction between the two is more intuitive than intellectual, I think it has something to do with the scale of the questions being asked. Economic history asks questions about the economy at large, whether ‘at large’ means a local, regional, provincial, national or international economy. It is always in some way concerned with the broad operations of a total economy. Business history, on the other hand, is concerned with the business world itself, with the world of the firm: the approaches are different, the unit of analysis is different, the questions are different, although they are related and may overlap. Moreover, the conclusions may be radically different; indeed they are often non-transferrable and, unless this is understood, serious confusions may arise — as when industrial success or failure gets confused with regional success or failure, which is precisely what has happened in much of the thinking about the fisheries of the east coast of Canada, with fish being perceived as a failed staple rather than the fishery as a primary industry which is in trouble.²⁰ The central unit of analysis in business history is the entrepreneur or sometimes the firm, although this unit may aggregate upwards to encompass the industry or the sector (Armstrong and Nelles do this, for example), or even the nation.

20 See Rosemary E. Ommer, “What’s Wrong with Canadian Fish?” in Peter R. Sinclair, ed., *A Question of Survival. The Fisheries and Newfoundland Society*, Institute of Social and Economic Research Social and Economic Papers No. 17 (St. John’s, 1988), esp. pp. 23-7.

Clearly such a focus is pertinent to Atlantic Canadian history. The themes that are being explored in this evolving field are almost always applicable to the Atlantic Canadian 'case'. Indeed, some are crucial, such as the whole issue of tariffs and the National Policy. This is not to say that there is no writing on these topics, which would be nonsense, but to point out that there is none that starts at the level of the firm, that investigates the impact at the micro level of such policies on the firm,²¹ that uncovers how businesses responded to them and that might then aggregate up to statements about regional vulnerability or whatever. The issue of regulation and monopoly, past and present, also needs empirical investigation at the level of the firm. The recent volume by Burrill and McKay, *People, Resources and Power*, makes a start here but, good though it is, much more needs to be done in the way of detailed research into company materials and careful analysis of the context in which companies are functioning before a fine-tuned understanding of the history of business in Atlantic Canada can be claimed.²² Again, the recent (economic history) book by Gordon Laxer, *Open for Business*,²³ which looks at foreign ownership in Canada using a Gerschenkron-style analysis,²⁴ adopts a comparative approach (Sweden) which could be very rewarding if applied at the level of the firm in Atlantic Canada. What could be learned from comparing the business history of (say) an Icelandic fishing firm, or a Norwegian timber firm, with that of a firm in St. John's or Saint John, due allowance being made for the different geographical, political and historical contexts in which each operated? Indeed, identifying and analysing these different contexts at the level of their impact on the firm would be a useful exercise in and of itself, and might throw considerable light on the debate about how much and in what ways the regional business environment has been thwarted or damaged by the actions of the central Canadian core.

Finally, when I was first approached to write this review, I was asked to address the issue of how adequately the books I read dealt with the economic and business history of Atlantic Canada, and the answer is, I think, that on balance they have not done too badly. But I prefer to turn that question on its

21 The one exception here is my own work using the account books of CRC, which demonstrated a negative impact on that merchant fishing firm of the Reciprocity Treaty of 1854. See Rosemary E. Ommer, "The Truck System in Gaspé, 1822-77", *Acadiensis*, XIX, 1 (1989), pp. 91-114. This paper also looks at both business and labour, the account books being a record of one crucial point of interaction between the two.

22 Gary Burrill and Ian McKay, eds., *People, Resources and Power* (Fredericton, 1987).

23 Gordon Laxer, *Open For Business. The Roots of Foreign Ownership in Canada* (Toronto, 1989).

24 See Alexander Gerschenkron, *Economic Backwardness in Historical Perspective* (Cambridge, Massachusetts, 1962); see also Ommer, "What's Wrong with Canadian Fish?", pp. 41-3 for an application of Gerschenkron to the Newfoundland and Icelandic fisheries.

head, and ask how much the region has contributed to business history...and here the answer is, sadly, 'not enough'. I am not quite sure why this should be the case: there is plenty of valuable work out there to do. Is it, perhaps, that the macro-issues of development and dependency have caught us, not just in a potential trap of victimization, but also in a kind of distaste for business? Are we sitting here expecting to have it written for us from elsewhere, and will we then gripe about inadequate attention, knowledge, understanding? In 1972, Bill Acheson pointed to where we ourselves could start writing such a history, and he identified what have become today's great themes. There are firms out there to be investigated, politico-economic interfaces that are poorly understood, successes and failures that will throw light on issues of graft, patronage, monopoly, foreign domination, staples...and undoubtedly staples fractions too. I think it is time we got to work.

ROSEMARY E. OMMER

Fashion and Anti-Fashion in Recent Maritime Literary Criticism

ALTHOUGH THERE ARE MANY BOOKS ABOUT individual Maritime authors and many collections of essays about the writing of Maritimers, there is only one book of Maritime literary criticism, Janice Kulyk Keefer's *Under Eastern Eyes: A Critical Reading of Maritime Fiction* (Toronto, University of Toronto Press, 1987). That Maritime literary affairs could be in such a state is scarcely credible, since for 200 years Maritimers have been devout practitioners of the literary arts. In her "Polemical Introduction", Kulyk Keefer feels obliged to argue that a body of definably Maritime fiction exists, and this sense of obligation itself suggests an explanation for the lack of critical books: books cannot be written (or at least will not be published) on a non-subject. Indeed, Kulyk Keefer reminds her readers, since Confederation the Maritimes have been almost a non-place. Partisan whining aside, Confederation meant that the Maritimes, instead of looking outward to the wide world from the seat of an international economy, had to look wistfully inward toward an economy churning along without reference to the region except when a bail-out has been politically expedient. The region has been a place from which ambitious people (writers included) either emigrated or else had to defend their decision not to emigrate. Kulyk Keefer observes:

That Maritimers have no comprehensive history of their region or adequate general critical study of their region's literature may be seen as evidence of