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State Policy, Dependency Theory, and The Periphery:
An Examination of Five Enumeration Areas in
Inverness County, Nova Scotia, 1961-1986

David A. Willis

A Thesis
in
The Department
of
Sociology and Anthropology

Presented in Partial Fulfillment of the Requirements
for the Degree of Master of Arts
at Concordia University
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Abstract

State Policy, Dependency Theory, and The Periphery: 
An Examination of Five Enumeration Areas in 
Inverness County, Nova Scotia, 1961-1986

David A. Willis

Dependency theory has been rightly criticized for not being able to account for local-level economic transformations as well as for being mechanistic, contextless and not supported empirically. What characterizes scholarly thought in uneven regional development in the Canadian case is an ever-growing inclusion of state policy and its effects in Canada's peripheral regions. This thesis is an attempt to link general state policies of the federal government with observable effects in a peripheral region in Canada.

Canadian census data was utilized for a twenty-six year period of recent history on a rural area of Inverness County, Cape Breton, Nova Scotia. The time period chosen (1961-1986) coincides with the Liberal interventionist, welfare state of the nineteen sixties and seventies and the market-oriented Conservative state of the nineteen eighties. Census data was standardized and compared across this time period.
The results indicate that the welfare state strategy was related to greater economic activity as indicated by measures of occupation, income, new dwelling construction and population growth. The data is suggestive of an economic downturn with the market-oriented state.
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# Table of Contents

List of Figures ........................................... vii  
List of Tables .............................................. viii  
List of Appendices ........................................... x  

Introduction ................................................. 1  

I. Literature Review  
  General Dependency Theory and Critiques .................. 3  
  Dependency Theory as Tautological ....................... 4  
  Dependency Theory as Contextless ....................... 5  
  Dependency Theory as Empirically Unsupported .......... 6  

II.A Consideration of the Political ....................... 10  

III. Perspectives in Canadian Development .................. 15  
  Canada as a Dependent Nation ............................. 16  
  Perspectives on Uneven Development in Canada .......... 24  
  Relations Between Regions ................................ 25  
  Relations Between Classes ................................ 34  
  Uneven Development and the Role of the State .......... 42  
  A Consideration of the Political ....................... 49  
  Regional Inequality and State Policy ................... 50  

IV. Methodology and Findings. .............................. 58  
  Discussion .............................................. 104  

V. Conclusions ............................................. 106  

Endnotes .................................................... 112  
References .................................................. 127  
Appendices .................................................. 135  

vi
List of Figures

Figure 1: Subdivision B, Cape Breton, Nova Scotia... 62
Figure 2: Intervention Strategy in Periphery... 72
Figure 3: Testing of the Welfare State
           Intervention Strategy... 108
List of Tables

Table 1: Population of Inverness County ............. 61
Table 2: Unemployment Rate, Canada and Nova Scotia, 1960-1987 ............. 82
Table 3: Gross General Expenditures of the Federal Government ............. 87
Table 4: Population of Canada, Nova Scotia and Selected Enumeration Areas ............. 88
Table 5: Number of persons per Household, 1961 and 1971 ............. 89
Table 6: Number of Persons per Household, 1981 and 1986 ............. 90
Table 7: Dwellings by Period of Construction, 1961 ............. 91
Table 8: Dwellings by Period of Construction, 1971 ............. 92
Table 9: Dwellings by Period of Construction, 1981 ............. 93
Table 10: Dwelling Units Started by Type of Financing ............. 93
Table 11: Dwellings by Period of Construction, 1986 ............. 94
Table 12: Average Earnings, Percent of Total Families and Income for Families, 1961 ............. 95
Table 13: Family Income, 1961-1986 ............. 96
Table 14: Government Transfer Payments to Persons, 1951-1986 ............. 97
Table 15: Transfers to Provinces, Territories and Local Government ............. 98
Table 16: Percent Occupation for Selected EA's, 1961-1986 ............. 100
Table 17: Percent Occupation for Canada and Nova Scotia, 1961-1986 . . . . . . . . . . .101

Table 18: Education Level by Census Year, 1961-1986 . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .103
List of Appendices

Appendix A: Variables Common to the Censuses . . . 135
Appendix B: Comparable Variables from 1961 to 1986 (Census Years) . . . . . . 136
Introduction

Studies of uneven development in the Canadian context have been strongly influenced by what has been called, in Canadian political economy, the dependency school. Recent formulations in the international realm have some scholars recognizing essential flaws that have rendered dependency theory in need of transcendence. Similarly, Canadian scholars have increasingly rejected the mechanistic, one-way surplus appropriation model of the development of underdevelopment in favour of a reformulated dependent-development model. The main thrust of the new dependency model was an inclusion of politics in the pattern of regional development.

According the state a role in thinking about regional development seemed to divide the school into various camps, depending on whether one viewed the state as autonomous or structurally restrained by the need to continue capital accumulation.

Studies ranged from a focus on individual policy makers and how they affect legislation (and hence conditions in the periphery), to studies that focus in great detail on specific policies, to work that explains how the state acts to ensure its accumulation role in terms of Canada's periphery.
This thesis is an attempt to explore the use of population census data for measuring the effects of broad state policy on development in a peripheral region in the Canadian Maritimes. These broad policies correspond to the main ideologies of the two major political parties in the federal state: a reliance on the self correcting mechanism of the market (Conservatives) and a welfare state strategy (Liberals).

These intervention strategies will be tested against the census data from five enumeration areas in Inverness County, Nova Scotia for the census years 1961, 1971, 1981 and 1986.
Chapter I

General Dependency Theory and Critiques

An examination of Andre Gunder Frank's paper "The Development of Underdevelopment" written in nineteen sixty-six, reveals two main hypotheses found within his argument for a rejection of the modernization paradigm that was prevalent at that time. He refutes the fundamental notion that countries must pass through "stages" of the development process, aided by developed nations via technology transfer and diffusion which would invariably culminate in full development. He directed our attention to global industrial capitalism, stating that "within this world embracing metropolis - satellite structure the metropolis tend to develop and the satellites to underdevelop" (Frank, 1966: 9).

Given this statement, he hypothesizes that: "satellites experience their greatest economic development and especially their most classically capitalist industrial development if and when their ties to their metropolis are weakest" (Frank, 1966: 10). Although these ideas were not new (see especially Paul Baran, 1957) they generated in the late nineteen sixties and through the nineteen seventies and eighties volumes of research, polemical debate, reformulations, and scathing critiques". 
Of interest to this thesis, however, are the most prevalent of
the critiques directed at general dependency theory. What recurs in
the literature concerning the sociology of development are three
major "faults of dependency theory: that it is tautological,
contextless, and not supported empirically.

Dependency Theory as Tautological

Circular reasoning has been recognized in Frank's major
proposition: "Contemporary underdevelopment is in large part the
historical product of past and continuing economic and other
relations between the satellite underdeveloped and the newly
developed metropolitan countries" (Gunder Frank, 1970: 5). The
difficulty has its origins in Frank's definition of development,
ever really stated cogently, that non-dependent capitalist
industrial development requires self-sustaining, autonomous, self-
generating, and self-perpetuating growth (Frank, 1966: 8,10; Booth,

If one defines underdevelopment/development in terms of
dependence/non-dependence, then any classification of countries in
these terms would be true by virtue of circular reasoning. It has
been conceded, however, that there is much more to the tradition
then rating countries in terms of autonomous or non-autonomous
growth, and that less structural analyses of specific countries,
especially those done by Latin American Sociologists, have yielded valuable insights into international capitalism (Booth, 1985: 763).

Dependency Theory as Contextless

It has been stated that the dualism inherent in a metropolis/satellite conception of relations between nations eliminates essential factors that may account for variations in development of Third World nations (Petras, 1982: 151; Mouzelis, 1978: 26). Moreover, the model is seen as a static description, based on an examination of exchange relations i.e., economic surplus transfer, that tends towards reductionist, deterministic "theorizing in a vacuum"³ (Palma, 1978: 899,900; Friedman and Wayne, 1977: 410; Bienefeld, 1988: 79; Edelstein, 1982: 103).

The model states that once a nation is in contact with a capitalist metropole, the appropriation of surplus would keep the satellite underdeveloped and dependent. Development could only occur when these ties of dependency are weakened or broken. What this emphasizes are static categories within a global stratification system (Chilcote, 1982: 19; Petras, 1982: 152). This has the effect of downplaying or eliminating the role of history in a country's development, and as a theory of development it is an automatic, mechanical, universalistic model that leaves important factors unexplained⁴ (Amsden, 1988: 171; Mouzelis, 1988: 26; Blomstrom and Hettne, 1984: 91).
Scholars in the Marxist tradition have criticized dependency theory as contextless for ignoring crucial features of capitalism, for example, that class relations are not considered and that the analysis is one that considers primarily a mode of circulation and not a mode of production (Petras, 1982: 150; Edelstein, 1982: 103; Friedman and Wayne, 1977: 410). It is also criticized for unnecessarily presenting two kinds of capitalism, i.e., one that is dependent and one that is not (Blomstrom and Hettne, 1984: 195). James Petras (1982) notes how conceptualizing world capitalism in terms of core and periphery is rather simplistic given that it does not take into account pre-capitalist social formations and the forces of imperialism that interlock with them.

The decisive factors are seen to be internal class relations and struggles and their external articulation; i.e., one should examine a nation's class structure and how that is expressed in the world market to gauge social transformation (Petras, 1982: 152; Chinchilla and Dietz, 1982: 140). In fact, it has been expressed that without a class analysis, dependency theory is only an "eclectic combination of orthodox economic theory and revolutionary phrases" (Kay, in Blomstrom and Hettne, 1984: 82).

Dependency Theory as Empirically Unsupported

The formulation of dependency theory by Frank states that having ties to a metropolis will render a satellite doomed to
continued underdevelopment and stagnation due to the process of surplus expropriation. Any accumulation that does occur in the periphery will be "limited and dependent" (Bowles, 1989: 191). The terms "dependent" and "independent economic development", while used recurrently in the dependency tradition, were not well defined concepts.

Four principal elements were offered by Sutcliffe (1972) in an attempt to gain some precision in discussions of independent development. In brief, these are: (a) development should be based on a home market; (b) it should encompass a wide range of industries; (c) foreign finance to be used only when it can be controlled indigenously; (d) development should include indigenous technical progress (Bowles, 1989: 191). Bill Warren (1973) used Sutcliffe's criteria to analyse the extent to which Third World industrialization had achieved independent development, and concluded that prospects for "successful capitalist economic development of a significant number of major underdeveloped countries are quite good" (Warren, 1973: 3). Thus, dependency theory's thesis of unremitting dependence and underdevelopment for satellite countries seemed countered by empirical evidence.

More recent work on the Pacific Rim countries (Taiwan, Singapore, Hong Kong, South Korea, for example) offer strong evidence of independent industrial development that runs counter to the stagnation thesis of dependency theory (Hettne, 1991: 35).
Indeed, the hypothesized requirement of weak ties to the capitalist metropolis as a precondition for autonomous development is strongly challenged by the newly industrializing countries of Asia, in that they are more highly integrated in world capitalism than other poor countries, yet are more developed (Petras and Hui, 1991: 182; Amsden, 1988: 143). It has also been documented, not only by orthodox economists, that industrial capitalist development in the most dynamic Asian countries (Taiwan, South Korea) features a "trickling down" of welfare benefits, and a more favourable distribution of income, especially when labour shortages occur (Bienefeld, 1981: 88,93; Bienefeld, 1988: 8).

These empirical observations of capitalist growth and autonomous development have argued against a stagnationist stance, and that this contradictory evidence nullifies the equation of underdevelopment and stagnation (Chinchilla and Dietz, 1982: 139; Hettne, 1991: 35; Weisskopf, in Palma, 1978: 902). These criticisms in the sociology of development have directed attention toward internal conditions as well as external conditions allowing for development/underdevelopment rather than dependency theory's more singular focus on external constraints from a geographically distanced metropolis (Amsden, 1988: 165; Bienefeld, 1988: 37; Petras and Hui, 1991: 181).

The internal factor that has gained in importance when accounting for growth in the newly industrializing countries is the
role of the state in sustained industrial capitalist development.\textsuperscript{7} This has lead to a consideration of particular circumstances within specific countries as a methodology for understanding autonomous growth in the periphery. It is to this consideration of the political that we now turn our attention.
Chapter II

A Consideration of the Political

How one assesses the role of the state in the dependency tradition is related to whether one adopts the "strong" form of dependency of Frank or a more case specific analysis of dependency best formulated by Cardoso. For Frank, a condition of loosened or broken ties to the metropolis is required for development, accomplished by revolution, and the establishment of a socialist regime; most notably by example was Cuba (Frank, 1977: 336; Frank, 1966: 16; Hettne, 1991: 27).

Cardoso allows for "associated-dependent development" in his formulations, according the state in some circumstances the role of negotiator with transnational corporations in the form of public enterprises, which then behave as corporations. He views the actions of the state as strategic in some cases, allowing for capitalist industrialization in the periphery (Cardoso and Faletto, 1979: 228).

Dudly Seers (1981) attempts to grapple with the extent to which a state can act within world capitalism, concluding that a government has no room to manoeuvre in some cases if several liabilities are added to the equation of dependence, for example, a small population, heterogenic ethnicity, few natural resources, geographic location next to a superpower, and other non-economic
factors (Seers, 1981: 144). While sympathetic to the dependency tradition, his article can be seen as an attempt to escape the determinism that burdens the model. He sides with Cardoso and others who adopt a country-specific analysis in the hope of building new theory from comparative political economy¹ (1981: 146).

Locating the role of the state within a dependency position requires a readjustment of the strong or "crude" form of dependency advocated by Frank. Reformulators of dependency theory have tried to distance themselves from the economistic, singular logic of circulation and surplus appropriation. While internal factors are noted as important, there remains in the approach a bias toward factors that are external for a nation's possibility of developing (Hettné, 1991: 26). Examples of this reformulation could include Cardoso and Falleto's incorporation of the internal and Sunkel's consideration of the internal and external operation of multinational corporations. These models, however, are always in relation to the needs of external capital.

More basic to understanding the role of politics in development/underdevelopment literature is the question of why some peripheral countries develop more successfully than others and in what ways does the state play a role in this development. Some theorists suggest that in the post-colonial period some countries experienced a lessening of influence from the metropolis allowing
for a measure of indigenous development (Bowles, 1989: 198, 199; Warren, 1973: 12). Marxist influenced theorists see as central to these considerations an examination of how class in these newly industrializing countries expresses its political force through the state (Bowles, 1989: 201). Others examine the role of the state in high growth countries like South Korea and Taiwan in terms of the autonomous actions taken by the state, with little consideration of competing power interests as manifested in class conflict.

These "statist" theorists are criticized for not considering global and regional political forces having an effect on the country in question (Petras and Hui, 1991: 189). There is consensus, however, that the state is crucial to the successful development in the Pacific Rim countries (Korea, Taiwan, Singapore, Hong Kong) by controlling a large portion of their domestic economies through public enterprises, state run financial institutions, utilizing price controls, and guaranteeing loans to national enterprises (Petras and Hui, 1991: 184,185; Amsden, 1979: 162; Bienefeld, 1988: 36). Along with these interventions there is also a "dark side" to these developmental state policies. These include a tight controlling of union activity to prevent labour disruptions (backed up with large armies and political/legal forces) as well as spending little on social security and worker pension plans (Petras and Hui, 1991: 185; Bienefeld, 1988: 30).
This very brief discussion of the main points in the dependency-development literature I hope serves to illustrate some central concerns. Those who remain aligned with a dependency perspective attempt to overcome the inherent insensitivity to context by focussing their work on concrete situations of dependency (for example, Palma, 1978; Edelstein, 1982; Cardoso and Faletto, 1979; Gidengil, 1989). The experience of the Pacific Rim countries as a challenge to dependency theory necessitated a closer examination of state policy, given rapid rates of industrialization and financial contacts with international capital. Mouzelis (1988) suggests that constructing a comprehensive developmental trajectory for various countries of the world would point to a way of generalizing about the experience of third world nations. He suggests going beyond dependency to include non-economic factors, in particular the political (1988: 23).

Bjorn Hettne (1991) pronounces dependency theory as "no more" and brings to his eulogy Frank's (1981) statement that dependency theory never had an "independent alternative for the third world". Hettne suggests that world development is in a "new structural situation" and not a short-term decline in the business cycle, thereby rendering dependency theory inapplicable.

My purpose is not to debate whether dependency theory is "no more". What the perspective did do is counter the modernization paradigm by presenting its obverse. The time between Frank's
original writings to present on the subject show that reformulation of the tradition moved from an almost singular consideration of exogenous factors, the development of underdevelopment, to an incorporation, most eloquently expressed by Cardoso, of "associated dependent-development" and a consideration of internal factors (including the state), to the Pacific Rim's lesson of the case study approach and state policy as a primary force behind capitalist industrial development.

What follows is an examination of the various strains of dependency theory in the Canadian case, keeping the developments in the international realm in mind.
Chapter III

Perspectives in Canadian Dependency

What characterizes the study of unequal regional development from a dependency perspective in Canadian scholarship is that it has a dual focus: one that is concerned with a staples economy and direct foreign investment (for example, Levitt, 1970; Warriner, 1988; House, 1982, 1986) and one that utilizes the development of underdevelopment model, and its Marxist inspired variants, originally made popular by Andre Gunder Frank. There are also those that view uneven regional development within a Marxist framework and therefore accord no special status to unequal exchange (see especially Sacouman, 1980, 1981, 1983; Friedman and Wayne, 1977).

Naturally, this varied approach to the same subject within Canadian sociology has prompted some scholars to note that this reflects in part the theoretical crisis noted in the literature in international dependency, but optimistically hope that the Canadian tradition can transcend these difficulties by testing the approach in the study of Canadian regionalism (see especially Sager, 1987; McFarland, 1982). While this laudable enterprise seems worthwhile, the very fact of the variegated approach within the tradition begs the question of which factors should predominate for a better understanding of regional disparities.
Canada as a Dependent Nation

At a broad unit of analysis, a case has been made that locates Canada as a "satellite" nation; a supplier of raw materials for external core nations which were once Great Britain and is at present the United States. Kari Levitt (1970) states the main thesis of her argument:

"The subsidiaries and branch plants of large American based multinational corporations have replaced the operations of the earlier European-based mercantile venture companies in extracting the staple and organizing the supply of manufactured goods" (1970: 23).

The themes of an external metropole, dominating the Canadian economy by means of the direct investment of the multinational corporation (in this "new mercantilism") for staple products and hence surplus extraction and appropriation is the process by which Canada finds itself "dependently developed". Why this surplus extraction occurs historically in the manner that it did is attributable to government policy initially in the strategy of the National Policy after Confederation. Western expansion, the growth of grain agriculture, tariff protection, and the creation of the means to transport the staple products by rail and the St. Lawrence for a British market was seen as a rational means to development at the time, as well as a way to avoid U.S. northern expansion.

The drift toward continentalism and U.S. domination of the Canadian economy occurred concurrently with the rise of the U.S. as a global power and the fall of British influence in the world
economy resulting from the First World War, the inter-war depression, the Second World War, and the desire of the U.S. for new staple products. As well, resources are a provincial matter and it is for the benefit of the provinces financially to trade rapidly and on a large scale, and therefore do so without concern for the greater national goal of economic sovereignty\(^2\) (Levitt, 1970: 55).

Levitt does not owe an intellectual debt to Latin American dependency studies, for she locates Canada as an "intermediate" nation, which in some relations acts as a metropole to some countries (notably the Caribbean nations) and in others as a hinterland (Levitt, 1970: 73, 103). The insights gained from her work build on the staples approach of Harold Innis, which chronologically predated the Latin American dependency tradition of "core-periphery" and "metropolis-hinterland" by about thirty years\(^3\).

John Hutcheson (1973, 1978) also makes a case for considering Canada as a dependency. Where he differs from Levitt is in his Marxist correctives, which emphasize a more thorough consideration of the Canadian bourgeoisie and the working class as the forces of production shifted with the fall of British colonialism and the rise of U.S. imperialism. He critiques Levitt for her emphasis on commodity trade, thereby neglecting the organization of commodity production (Hutcheson, 1978: 24). In accepting the concept of dependency, one should focus on the way a country is integrated in
the international (metropolis dominated) economy and how that integration has a corresponding social structure (Hutcheson, 1978: 90). For example, when Canada was dominated by British influences in the last century, bankers and railroad promoters were the influential bourgeoisie. With the advent of U.S. imperialism, branch plant managers hold sway. With shifting powers of the bourgeoisie, there is also a corresponding changing set of government policies for aiding the accumulation role as is required of the state (Hutcheson, 1978: 90).

Hutcheson does not, however, move his argument into a deterministic, reductionist one. He views the possibilities for state action constrained by a "limited set of assumptions about the possibilities of economic development" and that precise results from legislation are not foreseen (Hutcheson, 1978: 98). While he laments that the Canadian State is controlled by the ruling elite (the U.S. corporations) he notes that the very fact that the state itself still exists is significant. There remains the possibility of anti-imperialist forces gaining control, therefore he keeps a guarded optimism (Hutcheson, 1973: 174).

Levitt (1970) is also guardedly optimistic about the power of the peripheral state to control its destiny. As examples, she notes how Canadian banking, transportation and communication were under secure federal legislation to exclude U.S. interests from penetrating, and that historically these protected sectors have
been so from the time of the "old" mercantilism (Levitt, 1970: 7). Both authors build on the insights of Harold Innis (see Levitt, 1970: 46; Hutcheson, 1978: 91) and his view of the staples economy which involves directly the role of the state and national economic policy for development, so it is not very surprising they accord within the state a possibility of emancipation from foreign metropoles. This involvement of the state and capitalist dependent development in the Canadian literature is a recurring point to which I will return later.

Wallace Clement (1978a), while addressing the issue of regionalism within Canada's territory, warns that the country's international context in the broader world system must be taken account of in order to avoid analysing regional inequalities in isolation (Clement, 1978a: 89). Following Galtung (1971), Clement agrees that there are "go-between" nations of which Canada is one. The nation "mediates" between centre and periphery nations (described as 'intermediate' by Levitt previously). He wishes to coordinate Sunkel's conception of the transnational corporation as the agent of development/underdevelopment with the notion of Canada's go-between status. This will establish a means to theory-build around international and regional capitalism, requiring "a great deal more empirical work" (Clement, 1978a: 93)5.

Clement outlines how regionalism within Canada developed through the requirements of the capitalist class. This was
expressed through governmental policy, for example, the national policy of 1879. Through this policy, Central Canada gained dominance and the West underdeveloped (Clement, 1978a: 95). Beyond these policy initiatives however, Clement sees regional disparities in terms of "power-structure" through linkages that range from the multinational corporation at the international level, through foreign branch plants or national branch plants, with regional dynamics manifesting itself in the single company town (with allegiances to the corporation and not to regional concerns) (Clement, 1978a: 109). Within these conceptions, he sees the corporate elite as the real power base in economic decisions affecting Canada (p. 109).

Perhaps his strongest statement on this is made in his second article in the volume, entitled "Canada and Multinational Corporations". Once again he stresses the importance of seeing Canada in an international context, where giant U.S. corporations have "tremendous" freedom to extract economic surplus (p. 21). Canada is seen in a somewhat unique position as a supplier of raw materials to the U.S. and also as a market for manufactured products produced in the branch plants (p. 24). From a vantage point of the world capitalist order, it is Clement's wish to focus on "an analysis of class alliances and conflicts both nationally and continentally" (p. 25). He feels that such an analysis can contribute to an understanding of the relations between "class, class fractions, and the state and its branches" framed within a
consideration of foreign investment (p. 25). Of crucial importance is the close examination of that fraction of a class that benefits most highly from the actions of the multinational and how this is permitted through support of indigenous capitalists and the state (p. 25). His long-term view of multinational objectives is "to increase dependence and promote underdevelopment of the economy" (p. 22). His indebtedness to dependency theory, at least at the time of this writing, is clear.

A more recent article (1989) of Clement places emphasis on power and class to explain the distribution of surplus among nations. Staples extraction becomes the object of investigation, not the explanation, for Canada's external pattern of dependence (p. 39). He notes that there should be a shift away from the external dynamics of the staples tradition to one that allows for an examination of internal social relations and a greater allowance for political agency (p. 41). For Clement, the trend in Canadian political economy is toward examining the subordination of labour to capital through proletarianization (p. 39) (the establishment of free wage labour). He notes that a disproportionate amount of Canada's economic activity is in raw material exports, and that the state has established this as an "engine of growth", resulting in Canada's particular form of staples dependence (p. 41).
By way of contrast, Leo Panitch (1981) argues that dependency theory should not be applied to the Canadian experience because Canada does not resemble a dependent nation. Rather than trying to define dependency, he examines the Latin American experience with foreign metropoles and makes comparisons with Canada. His more interesting points include the fact that Canadian society was from early on based on free wage labour. In spite of a small proletariat, agricultural and craft goods were by and large produced for exchange and not subsistence (p. 14). Also, while American capital did come to Canada to secure raw materials and surplus value, it also saw Canada as an extension of the U.S. market for manufactured products. This is seen as quite different from the Latin American experience where capital sought cheap labour in labour intensive production: where surplus value can be extracted, for example, by lengthening the work day. Canada, by contrast, used fixed capital (labour saving technology) to expand productivity. This resembles much more the U.S. and European experiences (p. 19). Panitch finds Canada "dependently industrialized", where indigenous entrepreneurs could not compete with the financially stronger and more productive U.S. capitalists without increasing the rate of exploitation. With the physical proximity of the U.S. and a fluid continental work force (at the time) this was clearly impossible (p. 19).

Panitch takes issue with Clement's focus on fractions of the capitalist class, noting that his conception does not see class as
a "contradictory social relation between workers and capitalists, exploiters and exploited" (p. 9). Further, he cautions that distinctions made between industrial capitalists and financial capitalists are too brittle, and that constant reclassification of these fractions must be made, for example, when central Canadian financial concerns attempted to "get a piece of the action" in Western Canadian oil and gas (p. 24).

Warriner (1988) wishes to support a dependency perspective by clarifying the meaning of dependency. By referring back to Innis, he makes the point that it is not so much the extent of underdevelopment that characterizes Canadian dependency, but the unequal power relations between Canada and a foreign metropole that governs exchange (p. 512). Stated otherwise, Canada's economy is by and large controlled by foreign capitalists, therefore regional development decisions are made outside of indigenous control. Staples dependency and external control over resources, for Warriner, lead to the predictable consequences of "underdevelopment, subordination, disadvantage and decline" (p. 512).

What sets this dynamic apart from the development of underdevelopment thesis is that it does not focus on a mode of circulation, but combines power relations with staple products. Once again, the staples themselves are the object of investigation, not the explanation of dependency. Warriner sees Canada's reliance
on resource extraction as a political act, one that has a false promise of industrial development. He warns that this misguided policy will maintain Canada on the periphery of world capitalism (p. 513). This article is another example within the dependency tradition that is guardedly optimistic about the state's ability to change the nature of the Canadian economy.

**Perspectives on Uneven Development within Canada**

The literature that examines uneven development in Canadian scholarship is characterized by a disunity of approach (Sager, 1987: 119). What seems to emerge is an emphasis that varies from a focus on regions which emphasizes surplus extraction and circulation of capital; relations between classes which tend to focus on the modes of production; and an interest in the role of the state, which tend to emphasize institutional factors and power in uneven capitalist development. In the main, these orientations include a mix of the above with a particular emphasis on one factor or another.
Relations Between Regions

Archibald (1971) applies dependency theory as formulated by Andre Gunder Frank to Atlantic Canada. He asserts that the economy of the Maritimes "has always existed in a dependent relationship with a large controlling metropolis" (p. 105). Thus, the economic surplus generated is drained off to the metropole ensuring continued dependence and underdevelopment. He considers the metropoles to be initially Great Britain, then central Canadian (soon after Confederation and enactment of the National Policy) and finally the United States through multinationals and branch plants (p. 106). The contemporary reliance on the resource sector of the maritime economy he finds a "natural consequence" of the metropolis-satellite relation, and that the maritimes can be compared to third world nations (p. 112). This use of the "development of underdevelopment" model of Frank leaves the analysis open to the same critiques as occurred in general dependency theory in terms of a lack of empirical support'. Archibald's application of dependency theory is criticized as an oversimplification of the underdevelopment process and that as many questions are raised that are supposedly answered (Barrett, 1980: 278; Sager, 1987: 120; Brodie, 1989: 151).

Clement (1978) makes use of the development of underdevelopment model to understand Canadian internal development as well, yet attempts to associate the role of dominant and
subordinate classes within the analysis. He sees a "chain of dependence" in which "regional economies are tied to national economies and national ones to international ones" (p. 98). Class is related to this breakdown of economies such that different class structures associate with different economies. He states: "The overdevelopment of one region depends on the underdevelopment of another: the overdevelopment of the dominant class depends on the underdevelopment of the subordinate ones" (p. 98). The key to this process is seen to be the foreign-owned (mainly U.S.) multinational corporation through direct investment (p. 92). Clement wishes to distance himself from an over-emphasis on the spatial geographical element by including class distinctions yet maintains a spatial dimension of uneven development, with Ontario the core and the rest of Canada the exploited periphery. This work is seen as a first attempt by Clement to make a synthesis of class and region, yet is considered little more than a description of uneven development and not an explanation of its causes (Brodie, 1989: 152). He has also been criticized for not making clear how "overdeveloped" central Ontario is responsible for "underdeveloping" the Maritimes (Sager, 1987: 120).

House (1982) considers coastal Labrador a dependent, peripheral region in Canada. He wishes to make a clear distinction by what is meant by the terms underdevelopment and dependent development. He sees underdevelopment as a situation where a peripheral region has its resources exploited by a dominant
external economy with little of the benefits of this activity staying in the region. By dependent development he refers to a situation where some of the economic surplus is captured resulting in higher incomes as well as skill upgrading for local people (p. 201). He calls his analysis of the coastal communities and oil extraction activities in Labrador as coming from a "moderate dependency perspective" and desires to clarify how dependency within nations is different from dependency between nations (p. 200). This is useful for it considers that within a nation's borders there exists an "inclusion of peripheral people in the master institutions of a larger society" (p. 202).

This political and social inclusion of the periphery to the metropole, House believes, allows for a greater likelihood of reformist change than would be seen in the third world periphery. He believes it possible, given the proper political direction, that Labrador can become a dependently developed region rather than an underdeveloped one. Offshore oil would provide the impetus for this development. What is interesting in his analysis is his attempt to break from the static model of dependency. This involves a recognition that dependency within nations is fundamentally different from dependency between nations. Dependent development is seen as a positive and desirable path (compared to underdevelopment) and the means to achieve this is through political reformation. Hence, he accords to the political a level of autonomy from the economic.8
Matthews (1983) also adopts a dependency perspective, yet is not as clear about the application of underdevelopment and dependent development as House was. In this work, Matthews initially adopts the Frankian "development of underdevelopment" model when he asserts, while discussing regional divisions, that "contacts with the developed regions make them dependent and dependency leads almost invariably to underdevelopment" (p. 4). Later in the volume he makes the point that the "dependent development" position outlined by Cardoso seems particularly relevant for an understanding of Canadian regionalism. In this context, he notes that Canada's hinterland regions, in comparison to some third world countries, are certainly not "underdeveloped" (p. 74).

This inconsistency in the concepts of dependency, underdevelopment and dependent development leads some critics to find Matthews' work reflecting in part the difficulties experienced by dependency theory generally (Sager, 1987: 122). Cardoso's work, which allows dependency and dependent development to occur simultaneously, may render the concept of dependency superfluous (Sager, 1987: 123). Others note how one should not pose the question in terms of "development of underdevelopment" versus "dependent development", but the concept (dependency) should be viewed as a "conditioning situation", where no specific outcomes in terms of the extent of development which can occur can be predicted (Gidengil, 1989: 94)\(^9\).
What sets Matthews apart from other theorists in the dependency literature is the introduction of a voluntaristic stance. Individuals can act outside of class interests and affect social change. This applies to individuals who are in power positions, i.e., politicians. Matthews applies some of his empirical observations of individuals in positions of power affecting state policy, and how these individuals can have direct effects on Canada's periphery. Of note is his discussion of Romeo Leblanc, the one-time Minister of Fisheries, and how his actions as an individual seemed to go against the notion of the state as an instrument of accumulation for capital. Leblanc countered pressure from the fish processing industry to increase their take thereby preventing them from developing a freezer processing fleet. This encouraged local fishers to sell their catch to the highest bidder (p. 209). This action saved on-shore processing operations. While Matthews is primarily concerned with advancing studies of regional uneven development in the Canadian situation utilizing a dependency perspective, his inclusion of political context and voluntarism front and centre in the analysis seemed a departure from more structural analyses that preceded him.

Veltmeyer (1978, 1979, 1980) links a class analysis with the spatial aspect of unequal regional development by focusing on capitalism's inherent law of a declining rate of profit and how this declining rate is countered by capital with a resulting uneven regional industrial development. He considers dependency theory's
source of reference a theory of capitalist development as outlined by Marx, yet its focus on a framework of relations between a hinterland (periphery) and a centre (metropolis) overemphasizes exchange relations and ignores class relations. This departs from Marxism in a rather crucial way (1979: 18; 1978: 55; 1980: 204). Essentially, the argument is that dependency theory can advance if it accepts that dependent development can occur and that it de-emphasize the role of circulation and exchange in relation to markets. It needs to incorporate an examination of the nature of exploitation of workers in peripheral regions as a functional requirement for a continued capitalist mode of production in the centre.

Veltmeyer states that there is a tendency for capital to accumulate in industrial centres and through this expansion to create a "relative surplus population" (1978: 59). This relative surplus population (or industrial reserve army) is required to counteract the tendency toward a declining rate of profit by keeping wages low. He adds a regional element to this analysis by stating that:

"The greater the social wealth, the mass of functioning capital at one pole, the greater the mass of exploited labour and with it the formation of a reserve army, the source of poverty and misery, at the other" (Veltmeyer, 1978: 59, from Marx, "Capital", Vol. 1).

Veltmeyer states that this reserve army is part of the labour force that flows, when required by capital, from non-industrial to industrial centres. This migration is well established empirically,
especially well seen in the Canadian case from Atlantic Canada to central Canada (1978: 59; Hiscott, 1987). Since capital is more mobile than labour, (thereby placing limits on the exploitability of labour through migration), there is a tendency to invest in peripheral regions and take advantage of the huge cheap labour reserves held in the periphery (creating dependent development). This industrial development tends to be in the extractive industries, to provide raw materials for industrial expansion in the centre while fighting the declining rate of profit by taking advantage of a regional inequality of wages (1978: 60). This expanding peripheral reserve army can be held in check during times of contraction by maintaining pre-capitalist modes of production as a means to reproduce labour when needed, without bearing any costs of that reproduction" (1978: 62, 63). This also counteracts the falling rate of profit.

Veltmeyer provides a Marxist interpretation of regional uneven development based on capitalism's inherent tendency to realize a declining rate of profit. Capital counters this tendency by increasing the rate of exploitation through low wages enabled by the surplus population (reserve army), and by investing in peripheral areas to take advantage of the relatively non-mobile, large, and cheap surplus of workers through the establishment of branch plants and extractive industries. They also rely on the services provided by the pre-capitalist modes of production during
times of industrial contraction, when industrial workers return to
the periphery to be held in check until needed.

Barrett (1980) notes that the major theoretical problem in
Marxist analysis for regional uneven development is the
conceptualization of the relationship between class, exploitation
and region (p. 280). He finds that Veltmeyer's analysis of relative
surplus population sheds light on the class dimensions of a spatial
division of labour and that it was a "fruitful exploration" (p.
282). On the other hand, Sacouman (1980) points out that the modes
of production approach (a response to the dependency literature)
has been justly criticized for its "quasi-Parsonian structural-
functionalism or idealist grand theorizing" and its "categorical
dogmatism" and that a new synthesis of Marxist development theory
is in order (p. 234). Other theorists find that Veltmeyer has not
adequately linked a class analysis with a spatial distribution of
the industrial reserve army and thus leaves unanswered the question
of why the Maritimes should be the locale for this reserve army and
not elsewhere. Also, the significant force of the unemployed in the
industrial heartland is not recognized (Brodie, 1989: 152; Sager,
conclusions and method of analysis of uneven development. He points
out that Veltmeyer used a quotation from Marx dealing with capital
accumulation that was intended as an experimental model and was
thus restricted from applicability to the empirical world (p.
126). He also notes that Veltmeyer's quote is a composite from two
versions of Marx's model, one version holding "technical and value compositions of capital constant", to explore his model of accumulation under conditions of technological stability (p. 126). The other version of Marx's model drops the assumption of technological stability, which introduces into the model technological competition, raising rates of exploitation and increasing centralization of capital (p. 126). This conflation of different models, according to Wood, confuses different assumptions and different results. The first model, holding technology constant, increases capital accumulation and the wage labour force; the second model emphasizes "fewer workers relative to the expanding mass of capital"; increasing rates of exploitation, reduced wage rates, and greater emiseration (p. 127). Wood states that these two excerpts are run together, with an unwarranted emphasis on the word "pole". This reads into Marx's formulations a spatial aspect that is seen as unjustified (p. 127). This critique argues strongly against any spatial dimension to capital accumulation as envisaged by Veltmeyer and other Marxist-oriented dependency theorists. If accepted, it essentially eliminates the "necessary" regional distribution aspect of the "reserve army" as it pertains to peripheral regions as locales where cheap available labour can be found.  

13
Relations Between Classes in Uneven Regional Development

Scholars who take a more classical Marxist focus tend to look less at the circulation of capital and appropriation and more on the class relations that allow for the appropriation of surplus in underdeveloped regions when discussing uneven regional development. Sacouman finds that uneven capitalist development is necessarily so due to the tendency of capital to concentrate and centralize, and underdevelopment in a world capitalist system is a structural element of capital accumulation (1981: 142). In the Canadian case, underdeveloped rural areas are made profitable to central capitalist concerns by the maintenance of a "truncated" domestic mode of production, whereby the underclass is semiproletarianized. It is this articulation of different modes of production (subsistence behaviors, i.e., farming, fishing) and its maintenance within the capitalist mode of production that allows for surplus appropriation.

While petty production activities in the Maritimes can be shown to have declined in recent history, there is evidence that points to a "stubborn" persistence of subsistence farming (1980: 236). Sacouman believes that this behavior provides the basis for capitalist "superexploitation" by allowing for sustenance of workers (outside of the cash economy), thereby permitting capital to purchase those workers' products and labour power below the price that is required to reproduce the labour of the
semiproletarianized worker (1980: 236). This, in effect, provides a "holding place" for the relative surplus population and Sacouman is in agreement with Veltmeyer that this allows for a source of cheap labour and a secure place to return during capitalist crises (1980: 236; 1983: 163, 164). The superexploitation of workers extends through activities such as petty commercial farming, petty inshore fisheries, and petty forestry.\textsuperscript{15} The dependence of workers in these areas on external large capital is achieved through this process of semi-proletarianization and provides the basis for an understanding of uneven capitalist development in the Maritimes. Taking the discussion further, Sacouman points out that this articulation between the capitalist mode and domestic mode of production is the site of class conflict of a particular nature. There is a continued attempt to pay semi-proletarianized workers and their families less than subsistence, resulting in worker struggle and conflict to obtain the means of their subsistence, i.e., the struggle over the rate of exploitation (1980: 241). It is through the examination of the fractions of class in underdeveloped regions (and not the proletarian/capitalist dichotomy) and the persistence of non-capitalist modes of production and exploitation that allow for a greater understanding of uneven capitalist development as well as regional struggle (1983: 164).

Antler (1979) applies a class analysis to the economic history of Newfoundland to explain its subsequent underdevelopment. He makes the case that Newfoundland initially had a diversified
economy with a wage system as well as a visiting British fishery. Settlers were able to capture the economic surplus generated such that the potential for economic development existed in nineteenth century Newfoundland (p. 191). Through court decisions, independent petty fishers were then obliged by law to operate on a truck basis with local merchants. This meant that the merchants could extract the surplus from the fishers on a non-cash basis, supplying them with essential hardware in exchange for their product. The fishers were indebted to the merchant or, less often, the merchant owed the fishers. Merchants could increase their earnings by being the supplier to more and more fishers, and, barring competition from other merchants, effectively controlled the productivity of Newfoundland's fishery (p. 193). The key to underdevelopment was that the surplus extracted was not reinvested in Newfoundland but exported, leaving the colony undercapitalized precluding any subsequent industrialization (p. 197). The factor accounting for Newfoundland's underdevelopment, according to Antler, was the class structure that grew out of the last century.

This study emphasizes the relations between petty fisheries and a merchant class. Surplus is expropriated but does not have a central metropole per se where it accumulates. It is a structural analysis which contends that the class system provided the basis for Newfoundland's poverty (Bickerton, 1982: 199). Some theorists find that this work provides a strong explanation for why Newfoundland did not industrialize even though ties to British and
Canadian capital were weak, i.e., that the underdeveloping influences of external capital were weak. Given dependency theory's assertions, this state of affairs should have seen independent development in Newfoundland. Antler's thesis is seen as offering an historical, Marxist analysis, suggestive of new directions for study, and that it is a "powerful model" to apply to an underdeveloped economy well applied to the empirical world (Bickerton, 1982: 199; Sager, 1987: 132).

Connolly and MacDonald (1983) examine the role of women in independent commodity producer families in a rural area of Nova Scotia. They trace the historical development of the fishing industry through the twentieth century and find that women's role has shifted from domestic relations of production to engaging in wage labour. This allows the continuance of the independent commodity producer. The necessity for women's wage labour was initiated by the inability of the male fishers to pay their income taxes with cash and the ever-increasing requirement to participate in the market economy to meet subsistence (p. 57, 58). Women's roles vis a vis domestic and wage labour were compared across independent producers of fish and woodlot products, as case examples. As the fishing industry became capitalized (mainly through processing plants) women's labour became wage labour and the incomes and standard of living for families increased. Independent woodlot work was much more a male dominated trade so opportunities for women to engage in wage labour were very limited,
with the result that communities based on wood products were the poorest in Nova Scotia (p. 63). This in depth analysis of the working experience of women in peripheral Nova Scotia is an interesting exploration of the extent of underemployment of women in particular. That women in households want to be able to participate in wage labour is clearly seen in the author's discussion of new employment opportunities for women in fish processing made available by the opening up of a new ferry line that allowed access to wage jobs (p. 62). This also points to the ease at which capital can capture cheap available labour in the capitalist periphery.

Wenger and Buck (1988) also point out the exploitative relations women must face in peripheral regions. (In this case, the southern U.S.). Again, surplus transfer of value is achieved through subsistence behaviors, outside of commodity exchange, and this rural exploitation is seen as inevitable in capitalism (p. 463). Interestingly, this study suggests that remaining in precapitalist social relations is preferable to complete proletarianization since it is "protected from some of the worst ravages of capitalist relations" (p. 470). An argument advanced by Wallerstein is referred to in that it may be fruitful to examine these precapitalist relations given the increasing industrial capitalization in the peripheries of developed nations. Of interest here is how the precapitalist household may resist (or indeed if it could) patterns of "labour-force allocation favoured by
accumulators" (p.470). In any case, this line of reasoning raises the issue of whether wage labour for women in peripheral regions is advantageous to the standard of living, given the harshness of the business cycle. Both studies emphasize the superexploitation women face in the independent commodity class.

Bernier (1976) and Winson (1985) examine the underdevelopment of farming in terms of an historic process, guided by a local dynamic. Both agree that the underdevelopment of agriculture is a consequence of the capitalist economic order through the activities of the merchant class (Bernier, 1976:427; Winson, 1985: 418).

Bernier, in his review of capitalist penetration in Quebec agriculture, notes how Quebec farmers had to capitalize their production methods because they were specializing in dairy products for a British market. This change in the mode of production entailed great indebtedness of farmers to local merchants, which, as time went on, meant expropriations, less farm labour, and even greater capital concentration (p. 426, 427). Those that remain in agriculture have legal title to the land but are essentially wage-labourers, ever pressured by large capital for greater profits (p. 432). With the destruction of independent commodity producers in agriculture, there is an increase in capitalist agriculture, with its inherent tendency of unequal regional development (p. 432).
Winson compared the development of agriculture of Ontario with that of the Maritimes. He views the successful development of farming in Ontario as based initially on the export of wheat to Britain. Farmers were well remunerated for wheat exports in the period 1840-1870, after which wheat farming no longer became viable economically (p. 414). During the prosperous wheat trade, farmers were able to lower labour costs by purchasing labour saving agricultural implements, thus creating a demand for these manufactured products. Winson sees this as an essential element in the creation of Ontario's manufacturing industry (p. 415). This commercial development provided the foundation for the transition to other types of farming when the wheat trade was no longer viable (p. 416). The diversified industrial base in Ontario provided local markets for products from mixed farming, especially perishable goods.

On the other hand, farming in the Maritimes did not develop as rapidly as it could have due to the "stronghold" local merchants had over policy decisions (p. 417). These influential merchants, usually involved in shipping, pressured policy makers into enabling them to obtain timber and foodstuffs from American markets in essentially a free-trade environment. The "backward linkages" that may have obtained had local farmers and industries been able to provide for local shipbuilding were in effect not allowed to occur because of provincial policy (p. 417). Maritime farmers were under-capitalized because they had no crop for export that could have
been easily converted to cash, and prevailing free-trade policies made it difficult to compete in the marketplace. This in turn led to a lack of demand for agricultural implements when compared to Ontario (p. 418).

Maritime farmers did, however, supply local markets with produce from mixed farming as was the case in Ontario. The Ontario economy was much more resilient to downward trends in the business cycle so it was able to keep expanding, supplying local urban markets for agricultural products. The same did not hold true for the Maritimes. Manufacturing employment dropped after 1890, had a slight resurgence from 1901-1911, and was dramatically reduced by 1921. This decline in manufacturing had an impact on the ability of farms to market produce, especially when they were so dependent on local markets (p. 420). Winson notes that Maritime agriculture never had the conditions for expansion and capitalization that was essential for the later adoption of sophisticated farm equipment that was so integral for farming in later decades (p. 422). Maritime agriculture was thus underdeveloped.

While never stated bluntly, both Bernier and Winson can attribute the underdevelopment of agriculture to the merchant class. With specialized dairy farming resulting in indebtedness to merchants in Quebec, and through free-trade policies pressed for by merchants in the Maritimes, there was a subsequent agricultural underdevelopment in these regions. In Ontario, by contrast, exports
of wheat to Britain brought farmers enough wealth to avoid indebtedness, laying the foundation for healthier agricultural and industrial sectors.

**Uneven Development and the Role of the State**

The importance of incorporating the role of the state into discussions of uneven regional development was forcefully demonstrated with the work of T. W. Acheson (1972). His work on the deindustrialization of the Maritime economy at the end of the last century and the beginning of this century had two major influences for later thinking in this area. First, dependency theory could be challenged on the basis of observed rapid sustained autonomous industrial growth in the Maritimes during a period of strong ties to central Canada, clearly a situation when underdevelopment and surplus appropriation should be occurring.  

Secondly, dependency theorists within the Marxist camp could be challenged on the basis of their consideration of the role of the state as solely a tool for the accumulation of metropolitan capital. Acheson strongly demonstrates that Canada's national policy protected the indigenous economy by creating an integrated national state (p. 25). Where later theorists depart from Acheson is his inclusion of geographic factors and lack of entrepreneurial drive as factors partly responsible for the subsequent decline of the Maritimes (p. 26).
For Innes, the state was an important factor in the process of staples extraction for the national economy, yet he was ambiguous about the state being merely an institutional rigidity or as a force that could act as a political agent (Innes, 1956: 385). Brodie (1989) suggests that the legacy of the staples school was the "important and necessary emphasis on the role of the state and policy in the creation of regionalism" (p. 148)18. These early works on regionalism and uneven development do not seem to place responsibility on the inevitability of certain laws of capitalism and therefore there is a sense that the negative effects of uneven development can be addressed through appropriate policy modifications.

Bickerton (1990) and Clow (1984) both report a "visceral" or "gut instinct" about the essential inclusion of politics in discussions on regional uneven development since both have experienced living in a peripheral or "declining" region.

Clow's argument for including politics in discussions of regional development rests on a critique of some observers' interpretation of Marx's theory of capitalist development as following "natural laws" and reducing Marx's insights to economic determinism (p. 122). He feels it is more useful to go beyond the view of capitalism as an "evolving natural system" to one which sees capitalism as an ongoing process; a social endeavor of a particular social class which he terms a "social project" of
private capital accumulation (p.122). In this view, there are competing social projects or agendas that correspond to class interests and therefore the observed social formations in society are products of specific social struggles. When one speaks of social struggles one must include in the discussion concepts of social power thereby including politics as an explanatory component for examining class conflict (p. 123). Seen from this perspective, capitalist development is a process where the bourgeoisie has the power necessary to impose on classes with different agendas social change that allows for the accumulation of private capital. Once you accept that capitalist development is a political process, then it follows that efforts to influence state policy should be included as a factor that has importance for particular developmental paths (p. 123). Clow saw Confederation as a framework that established a particular political-economic environment. As examples of the role of politics in capitalist development, he notes how the policy of import substitution industrialization forced Maritime manufacturing out of established industries (shipbuilding and world shipping) and into consumer goods that competed directly with products out of central Canada. Since distribution was controlled by central Canadian interests Maritime manufacturers were doomed to "virtual ruin" (p. 129). Also illustrative is the fact that banking was centralized by legislation and therefore limits were placed on funds available for local entrepreneurs because of high interest rates and high frequencies of loan refusals19 (p. 131). Clow feels that politics
in the form of federal policies have intensified the effects of capital concentration which in turn has real influences on regional development (p. 136).

While sympathetic to Clow on the importance of including the state in the examination of regional development, Bickerton (1990) takes issue with his analysis by claiming he is reductionist in the sense that the "social projects" are viewed as "unilateral impositions". He believes that a better understanding can be obtained through a consideration of the logic behind state actions, and not just their effects. He also agrees that there are no "laws of capitalist development", arguing that the state must act in capitalist society to mediate the contradictions and destructive potential of increasing accumulation. In this way, state policy is viewed as essential for the continued stability of the capitalist system (p. 312). While the capitalist class is seen as structurally privileged, he follows the insights offered by Panitch in that power is conceived of as mutually dependent between producing classes and non-producing classes, and that this places limits on the power of capital to shape the policies adopted by the state (p. 30). Bickerton's work is an in-depth empirical examination of the role of state policy in the development of Nova Scotia. He contends that the range of policies adopted by the federal state have been restrictive and exploitative of the periphery (p. 334). This unstartling conclusion is overshadowed by his important inclusion of state policy in considering how people are affected in everyday
life in the periphery, given that there is no correspondence between intentions of state action and effects. Thus, the implications of policy can not be ascribed and left in the theoretical realm, but must be examined empirically (p. 313).

This desire to incorporate politics in the discussion of regional disparities is echoed by Brodie (1989), who describes the state as a "key actor in the political creation of regions", and that this relationship is fundamental and persistent in Canadian political economy (p. 156). Albo and Jensen find that the inclusion of the political in discussions of uneven development give the tradition a variety of theoretical stances that departs from earlier single over-arching theses of staples and dependency (which has a tendency to view the state as merely an instrument for capital) (p. 206).

According the state a role in the pace and pattern of regional development is not a recent theoretical development in discussions of regionalism in Canada. As previously mentioned, Innis, Fowke and Aitkin provided early examples of this proclivity. Matthews (1983) notes how state policies became crucial when discussing single resource communities in peripheral regions (p. 205). These policies, in his view, arise not out of class interests but from individuals in key political offices acting in unpredicted ways (p. 8). Richards and Pratt (1979) place a great emphasis on state actions, in this case assigning a central role to the provincial
state. While claiming their study has limited generalizability, they nonetheless provide a detailed analysis of how Alberta and Saskatchewan utilized policies that took advantage of the world market for mineral staples to establish a staples-linked regional development (p. 11, 327). They claim that provinces are not necessarily political dependencies of external capital, but can develop their economies through time by gaining skills, information and expertise (p. 9). Development becomes public (in Saskatchewan) or private (in Alberta through private sector diversification, pressed for by indigenous elites), thereby keeping the benefit of staples extraction within the provinces (p. 328). The province as "entrepreneur" was seen in this case study as an example of how staples dependence can be avoided through effective policy initiatives at the provincial level.

As mentioned previously, House (1982) also sees a possibility of development in Labrador, informed theoretically by a "moderate" dependency perspective. He is similar to Richards and Pratt in that he recognizes a possibility of avoiding the worst effects of dependency through properly placed political actions. Central to his analysis is an assumption that political institutions can direct and affect the dynamics of industry (p. 200). In a later work on Newfoundland underdevelopment, House (1986) distances himself from the neo-Marxist approach by emphasizing a greater empirical component with regard to political actions taken by the Newfoundland government. House takes issue with the neo-Marxist
assumption that capital controls state elites and shows through his own empirical investigations of the policies pushed for by Prime Minister Brian Peckford that, in terms of resource development, the provincial state had its own set of priorities quite independently of the local business class (p. 174). House feels that the core institutions of society are the economic and the political, but one does not have primacy over the other (p. 189). Adopting these principles requires indepth empirical investigations of political behaviour to try and discover the real motivations behind public policy. This, he feels, would avoid some of the programmatic, pseudo-explanations that are obtained within the neo-Marxist camp, resting as it does on the assumption of the dominance of the economic over the political, reducing the political to merely instrumental, accumulation roles (p. 193).

Matthews (1986) finds House's work in concordance with his earlier (1983) work on the creation of regional dependency. In that volume he called for a more "voluntaristic" approach, one that recognizes people can act independently of their class position and affect processes of change (p. 199). Similarly, Bickerton (1990) stresses the need for empirical examinations of state policy because he views policy a result of power relations in the political arena, unpredictable in outcome.

Marchak (1985, 1986) takes a very close look at state policy as well, but finds the state reacting to the pressures of
international capital and markets. This reaction includes policies that ostensibly fight the "fiscal crisis" by dismantling the welfare state and forcing workers to be so desperate for jobs that they would be attractive to international capital. The state has acted, according to Marchak, not to reduce expenditures but to create favourable conditions through tax incentives, new infrastructure, grants, and guaranteed loans to entice large capital to return to Canada (B.C. in particular) and not to set up shop in the Pacific rim or South America (1986: 135). This dismantling of the welfare state and new policies for fiscal restraint is viewed as an attack on labour and challenges the concept of the function of the state as a legitimizer of the capitalist system (1985: 693). Marchak, while sharing a similar level of interest in state policy and its effects is less optimistic about labour's ability to have legislation passed for its benefit. This is so probably because she sees the state's role as aiding the accumulation process, yet her in-depth examination of policy sets her apart from other theorists who share this view of the state: the state's role predetermined theoretically.

A Consideration of the Political in Canadian Unequal Development

This brief discussion of the role of the state in uneven development in Canada raises the issue of the relative importance of state policy in a capitalist economic order. If the theoretical stance chosen is classical Marxism, then the state is considered an
instrument to aid in the accumulation of private capital, with policy initiatives ultimately geared to capital accumulation over the historical long-run. A case could be made that, in general, what characterizes theorists in the dependency school in Canada was a predilection for including state policy and power relations in discussions of Canada's uneven development.

Frank's model of the development of underdevelopment was not in fact a theoretical force in writings on dependency in Canada. Canadian Political Economy is characterized by an interest in the policy field. Interest spans the consideration of wide-ranging federal policies, wide-ranging provincial policies, all the way down to micro-analyses of politics found, for example, in the works of Matthews and House. The role of human agency and the possibility for reform in uneven development I believe is accepted by a large number of theorists in this area. To debate the relative merits of this can easily become polemical.

Regional Inequality and State Policy Formation

To get a handle on the role of the state for purposes of this thesis, I accept that the state acts in the economic realm. I also accept the possibility the state can act autonomously from the needs of the capitalist class. To elaborate on the role of the state in peripheral regions, specific tools are required to answer the question of "how" the state responds to regional inequality.
Claus Offe and Volker Ronge (1982) describe three basic strategies available to capitalist states to ensure the continued existence of the social order given capitalist economic crises and conflicting class interests. These strategies have particular importance when examining the state and regional development (Bickerton, 1990: 314).

The first strategy described by Offe and Ronge is what they call the classical strategy of inaction (laissez-faire). With this strategy, the state hopes to create conditions in which unemployment is so unpleasant that workers will be highly motivated to remain in or return to the marketplace. There is inaction in the sense that self-correcting mechanisms of the market are relied on for a return to equilibrium (p. 252). The essential flaw with what the authors call this "ancient" strategy is that workers have other options besides returning to the marketplace (to return to a commodity form, i.e., to sell their labour) in that they may politically revolt (p. 253).

The second strategy of the state is to provide "subsidies and alimentation" (p. 253). In this case, owners of labour power and owners of capital are allowed to survive the business cycle under conditions that are artificially created by the state. They are granted economic survival even though they have dropped out of the marketplace. This welfare state strategy, according to the authors, sharpens the fiscal crisis in that it subsidizes owners of value
that have become obsolete and therefore it is not self-financing in the long run, diminishing future state revenues (p. 253).

The third strategy, which the authors claim is becoming more dominant, is termed "administrative recommodification". This strategy includes creating conditions where the saleability of labour power is augmented by measures aimed at education, training, regional mobility and any other policies that would enhance the general adaptability of labour power (p. 253). Capital is also assisted in becoming more marketable by policies directed toward modernization, research and development, by protecting markets, and providing infrastructure investment.

Offe and Ronge believe that the three strategies: "Laissez-faire", "Welfare state" and "administrative recommodification" are basically different from each other and can be considered as separate methods the state adopts to counter-act the tendency in capitalism that takes parts of labour and parts of capital out of the commodity form. While the authors do not discuss commodity form to any great extent, some elaboration of the concept would be germane at this point. The issue at hand is a concern that values need to perform as commodities (Offe and Ronge: 251). The commodity form itself is composed of two parts; one that emphasizes the commodity as an "object of utility", and one that emphasizes the commodity as a "depository of value" (Marx, 1978: 429). This two-fold nature of the commodity form can be expressed as an embodiment
of use-values and as one of exchange-values. Exchange-values are seen as the only form in which the value of a commodity can be expressed. Moreover, this value is tied to human labour (i.e., the commodity embodies labour power), and when it is passed from one to another it is done by means of an exchange (Marx, 1978: 425, 429). When Offe and Ronge speak of the need to maintain the commodity form, they are emphasizing the requirement of capitalist society to place values of exchange on all commodities, including labour power itself as a commodity for purchase. Economic crises create unemployment and place limits on capital investment, which would be an expression of commodities (labour and capital) falling out of the exchange-value form. Advanced capitalist society does not have automatic mechanisms for self-correction of the economy in times of economic downturn, so the need to act to continue accumulation and legitimation, that is, to preserve capitalist society through exchange value of the commodity form, is crucial (p. 251).

If we turn our attention to the Canadian state and its policies toward uneven regional development, some interesting problems and observations arise.

The intervention strategies advanced by Offe and Ronge are not mutually exclusive occurrences. They seem to mix together in Canadian political discourse and policy. Some strategies are emphasized in one historical period, for example, when post-war
Keynesian principles and welfare state development were implemented after the ravages of the depression. This culminated in the redistribution policies of the early nineteen seventies. The classical, laissez faire strategy of inaction was probably best represented in the last two decades of the nineteenth century. The general picture, however, is a combination of all three strategies, with different emphases, at particular times.

A case could be made that these intervention strategies correspond roughly to the ideologies of the two major political parties in the federal state. The Liberal ideology, in recent history at least, tends toward the welfare state strategy, in which certain basic services cover all citizens regardless of region, such that welfare, unemployment insurance, health care and other programs are universally applied. The relative importance of this project can vary over time as ideologies shift, yet remains part of the commitment of the federal Liberals.

The conservative ideology would be characterized by a rhetoric that leans toward its traditional bias of the logic of the unfettered market, free to determine the course of economic development unhindered by political intervention. Of course, the expectations of the electorate to maintain its level of social services and the universal safety net makes rapid dismantling politically dangerous if one wishes to remain in power. The maintenance of basic services previously installed with a rhetoric
of free market principles more closely approximates the conservative agenda. In more recent times, an emphasis on a wider unfettered market through continental free trade policies and a reduction in social expenditure predominates discourse and action. Since political ideology is in constant flux over time, all that can be said with certitude and very generally is that conservative rhetoric tends toward the belief in unfettered markets and Liberal rhetoric tends toward easing the excesses of the business cycle with redistributive programs. The intervention strategies of Offe and Ronge can be adopted by either political party even though they may have leanings one way or the other based on their ideological convictions.

Offe and Ronge frame their observations of intervention strategies based on the need to have value remain in the commodity form; these strategies are employed to achieve that end. The strategy they claim is more predominant in the present era is "administrative recommodification". As stated, this strategy involves interventions that enhance the saleability of labour or capital, through programs geared toward education, vocational training, assisting worker mobility, modernization programs, infrastructure investment, research and development, and market protection. I believe that Marchak (1986) provides insights that can be of value when considering the plight of labour in this intervention strategy. She points out, quite rightly, that the desire to attract large foreign capital is linked to the
dismantling of the programs (ostensibly to fight the fiscal crisis) that assisted labour in times of economic downturn, thereby making them more desperate for employment so that they would accept lower wage rates and reduced benefits (1986: 135). This makes labour less expensive to purchase and places workers in competition with workers in less developed nations. In effect, without spending on programs for labour, the saleability of labour is enhanced. Marchak's observations of state policy toward labour can be appended to the "administrative recommodification" strategy as described by Offe and Ronge. It is not within the classical strategy of inaction because the state takes particular actions to reduce wages and reduce benefits. Inaction and reliance on market mechanisms may occur after the abolition of programs.

The application of these intervention strategies would have important effects on Canada's peripheral regions. To think about general policies and these intervention strategies in a systematic way, it may be useful to consider them as general ideal types.

Ideal types are mental constructs that can not be found empirically in reality (although it is objectively possible) (Rogers, 1969: 88; Burger, 1976: 165). They have an abstract general character which represents an ideal configuration of phenomenon; this configuration an intensification of what is seen empirically (Rogers, 1969: 89). They are seen as imaginary experiments, providing fixed points of reference for comparative
studies. Ideal types are also used as a way of answering questions about what would happen given hypothetical but possible assumptions, with answers that are not unrelated to actual phenomenon (Burger, 1976: 166). In the intervention strategies offered by Offe and Ronge, the antecedent conditions for generating strategies is the loss of value from the commodity form, for example, unemployed workers. The strategies (laissez-faire, welfare state, and administrative recommodification), are based on the authors' empirical observations of reformist state policies in West Germany (Offe and Ronge, 1982: 249). While never referred to blatantly as ideal types, they seem to represent intense empirical generalizations of possible state actions. The authors created those constructs as generalized models so that particular cases (state policies) may be classified, providing a scheme for the analysis of recurring phenomenon in the political realm. Their work seems to satisfy the criteria of ideal-type construction\textsuperscript{22}.

With these ideal types in mind, I pose the following question: What effect have state policies had on the general economic welfare of the Canadian periphery in the last thirty years? What follows is a description of the data used to attempt an answer.
Chapter IV
Methodology and Findings

Since political parties gain and lose the power to govern in capitalist democracies through national elections, it is necessary to examine the application of general policies longitudinally. Since I am concerned with the effects of policy on the periphery, it seems logical to examine the same region over time so that a linear picture would emerge. For this purpose, I have selected a region in Cape Breton Nova Scotia, in the county of Inverness.

Nova Scotia as well as the other Maritime provinces and Newfoundland have been considered peripheral regions vis a vis Canada's industrial heartland (see especially Sacouman, 1980, 1981; Veltmeyer, 1979; Clow, 1984; Brym and Sacouman, 1979). In most of these studies, the authors have a tendency to discuss this periphery as a whole or as provinces individually as the unit of analysis. Some attempts have been made to examine the periphery in sub-provincial units (as conceived by Statistics Canada), but these works are not representative (Gidengil, 1989).

A case study approach to local-level economic adaptations in the Capitalist periphery is provided by DeVries and MacNab-deVries (1984). They examined a small area in mid-western Cape Breton, in the county of Inverness. In this study, they examined the adaptions of people in the face of economic hardship in historical context. Since the area observed is in a close physical proximity to the
area that concerns this thesis, a brief discussion of their findings may provide some general historical background.

Of concern in their discussion is the specialized role that subsistence farming played in the region in the last two decades of the nineteenth and the first half of the twentieth century. DeVries and MacNab-deVries note that farming had moved from being the centre of economic life to a peripheral status due to the restructuring of the Cape Breton economy in the late nineteenth century. An emphasis was placed on export staples (mainly coal and steel) yet secondary manufacturing did not materialize in this restructuring (p. 2). This resulted in an incomplete transformation of the local economy to the Capitalist form, with the concomitant persistence of pre-capitalist structures that have been well documented in other studies (see especially Sacouman, 1980; Veltmeyer, 1979). While this is viewed as functionally efficient by capital and the state to maintain surplus population at no cost, for the people that lived there certain limited avenues would have to be faced. DeVries and MacNab-deVries refer to those reactions to economic insecurity as "broad spectrum adaptations" (p. 3). Subsistence and petty commodity production, craft work, wage labour when available, and temporary and permanent out-migration were the adaptations available in light of economic insecurity. Farming was relegated to a subsistence activity and could not provide the necessary cash that would be required for taxes and livelihood (p. 4). Marginalized agriculture was combined with the activities
mentioned above to create the occupational pluralism that is seen as essential for survival if one decided to stay within the region. Indeed, it is stressed that the role that marginalized farming played was crucial given the uncertainty of the local cash economy (p. 5).

Table 1 shows the population of Inverness County every ten years from 1871 to 1991 by sex and by the male to female ratio (number of males for every 100 females) for the county and the nation. Of interest in this table is the extent of out-migration from 1911 to 1951. This was during the time when there was a lack of secondary manufacturing and farming had become marginalized. It also suggests a degree of female out-migration given the male/female ratio between 1911 and 1961, perhaps illustrative of the female migration to New England to do domestic service, at least in the earlier part of the century (deVries and MacNab-deVries, 1984: 5).

In the late 1950's and into the 1960's the situation had changed in this area due to social legislation and the growth of the industrial region in the Strait of Canso (deVries and MacNab-deVries, 1984: 5). Table 1 is illustrative of the levelling off of the trend to out-migrate, in that between 1961 and 1981 there was a growth in population in the county and the male/female ratio was reflective of the national norm, especially in 1981.
Table 1: Population of Inverness County for selected years

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Male</th>
<th>Female</th>
<th>Males/100 Females</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Inverness Canada</td>
</tr>
<tr>
<td>1871</td>
<td>23,415</td>
<td>11,620</td>
<td>11,795</td>
<td>99</td>
</tr>
<tr>
<td>1881</td>
<td>26,651</td>
<td>12,737</td>
<td>12,914</td>
<td>99</td>
</tr>
<tr>
<td>1891</td>
<td>25,779</td>
<td>12,954</td>
<td>12,825</td>
<td>101</td>
</tr>
<tr>
<td>1901</td>
<td>24,353</td>
<td>12,346</td>
<td>12,007</td>
<td>103</td>
</tr>
<tr>
<td>1911</td>
<td>25,571</td>
<td>13,079</td>
<td>12,492</td>
<td>105</td>
</tr>
<tr>
<td>1921</td>
<td>23,808</td>
<td>12,421</td>
<td>11,387</td>
<td>109</td>
</tr>
<tr>
<td>1931</td>
<td>21,055</td>
<td>11,235</td>
<td>9,820</td>
<td>114</td>
</tr>
<tr>
<td>1941</td>
<td>20,573</td>
<td>11,018</td>
<td>9,555</td>
<td>115</td>
</tr>
<tr>
<td>1951</td>
<td>18,390</td>
<td>9,792</td>
<td>8,598</td>
<td>114</td>
</tr>
<tr>
<td>1961</td>
<td>18,718</td>
<td>9,936</td>
<td>8,782</td>
<td>113</td>
</tr>
<tr>
<td>1971</td>
<td>20,375</td>
<td>10,580</td>
<td>9,795</td>
<td>108</td>
</tr>
<tr>
<td>1981</td>
<td>22,335</td>
<td>11,325</td>
<td>11,015</td>
<td>103</td>
</tr>
<tr>
<td>1986</td>
<td>21,946</td>
<td>11,135</td>
<td>10,810</td>
<td>103</td>
</tr>
<tr>
<td>1991</td>
<td>21,620</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
</tbody>
</table>


My interest in this thesis is to examine the general economic welfare of the people in a part of this peripheral region given the introduction of social legislation of the past thirty or so years.

I have selected five enumeration areas that form a geographical unit when considered together (see figure 1 for the location of the enumeration areas). The Canadian censuses for 1961, 1971, 1981 and 1986 were matched by enumeration area and checked for continuity over the twenty-six year period. The unit of analysis here is the enumeration area, so the data is at the
aggregate level and not the level of the individual. The data became available to me as part of another ongoing research project.

While there is great variability in the questions asked in each census, it became necessary to go through a process, generally at first, to identify which questions were similar for each of the census years. The "Census Handbook", catalogue 99-104E provides questions asked since Confederation and serves as a guide to start the process of comparability. Appendix A lists the variables that were found to be common across the censuses selected. Appendix B lists the census variables that were compared across the selected enumeration areas and are the final set that are comparable across the twenty-six year period. The 1986 and 1981 census questions were very similar. The 1971 census provides the standard occupational categories that were followed in 1981 and 1986. To be comparable, the variable must be exactly the same from one census to the next, or, for example, categories must be able to be recoded so that they represent the same thing.

What follows is a description of what I expect to find for these variables if only one of the intervention strategies is considered at a time, with consideration given to national economic contraction and expansion. (Expansion/contraction is based on the unemployment rates illustrated on Table 2). This results in essentially a list of hypotheses which serves as an exercise to
focus on the intervention strategies and possible effects on life conditions of people in the periphery.

**Intervention Strategy: Exclusive reliance on the self correcting Mechanism of the Market (Laissez-faire)**

For the variable sex, I would suggest that there would be fewer males and more females during times of both contraction and expansion. My reasoning is that males would migrate to the core area to find work, to send part of their wages back to their families.

Education levels, I suggest, would be low in both contraction and expansion because rural poverty may force young people to forgo schooling to find work in order to supplement family income.

There would also be a declining or generally not growing total population. Those that remain may adopt pre-capitalist modes of production. In times of economic expansion, the population would decrease as people migrate to the core, but in times of contraction out-flows may actually decrease due to subsistence behaviors and reduced employment opportunities in the core region.

In terms of dwelling construction, I would expect fewer building starts in both contraction and expansion due to the weak
peripheral economy. Since this process would be long-term, there would be little recently constructed housing stock.

I expect occupation to be based on resource economies, so this would be reflected in primary, extractive industries. There would be people mainly employed in mining, logging, fishing, trapping, and farming. Small scale, self employed craft industries would persist through time. There would be a lack of secondary manufacturing. Locational attractiveness is impaired due to a lack of infrastructure. This would be the case in both times of contraction and expansion.

Family incomes would decrease through time as extractive industries become more capital-intensive, which would increase local-level unemployment. The work force would be dependent on low-paying jobs and would be non-unionized. In times of contraction, incomes would even drop further since extractive industries are dependent on world markets, thereby increasing unemployment rates.

I would expect that the number of persons per household would decrease in times of economic expansion as family members migrate to the core in search of work. In times of contraction, the persons per household would increase as people return or remain in the family, using it as a safety net.
The number of households would decrease in times of expansion and contraction because the amount of financial resources in the periphery would be so low that people simply could not afford to set up individual households.

**Intervention Strategy: Welfare State**

The welfare state is visualized as one that recognizes disparities of opportunity and has redistribution of national wealth as a central state policy.

Since there would be less reason to migrate out in search of work during economic contraction (because of unemployment insurance), I expect that sex ratios would be reflective of the national numbers. There would be migration of males to the core in an economic expansion because of greater opportunities available, but this would be reduced due to local opportunities since standardization of services nationwide entails greater employment possibilities. This would hold in times of contraction and expansion.

Transfers for education and other transfers may require fewer people to work to supplement family income, so education levels would increase. This would not change in times of contraction and expansion.
Population decline would slow down in the welfare state, because of greater local employment possibilities in the public sector. This would hold in times of contraction due to unemployment insurance and welfare programs.

The number of new housing starts would increase because of growth of government employment in the periphery. There may also be government grants for new housing. Economic expansion or contraction would not affect this.

The occupational structure would still include primary and extractive industries, yet there would be a trend toward fewer workers in these areas due to capital-intensive changes. In times of contraction, there would be a further reduction in workers in primary industries. The largest occupational change in the welfare state would be the employment of local people in government service jobs, which would include the educational field and health related work. There would be a reduction in farming and self employed small-scale crafts because welfare and unemployment insurance would allow for the consumption of necessities. Construction of post-offices, hospitals, and other government buildings that provide standardized services would mean a temporary increase in jobs in or related to construction.

Family income would still be below the national average because of a greater reliance on transfers as a percent of total

67
income since the primary industries are closely tied to world markets. Because of this, incomes would fluctuate in times of contraction and expansion if the income of the region is taken as a whole.

The number of persons per household would be lower in the welfare state because people would be able to afford to set up their own households in times of expansion and could weather-out times of contraction because of the unemployment insurance and welfare programs. Similarly, the number of households themselves would increase because of greater income levels from local employment opportunity in the public sector.

Intervention Strategy: Administrative Recommodation

This strategy includes policies that enhance the saleability and adaptability (including migration) of labour. Programs that increase skill-levels and training would be implemented. Industrial incentives to overcome the perceived impaired locational attractiveness would include programs that encourage "growth poles". Urbanization would be encouraged. Infrastructure improvement would be paid for by central state. Welfare programs are viewed as a threat to the work ethic.

The sex ratio would approximate the national average in times of expansion because there would be employment opportunities in the
primary industries. In times of contraction, males will migrate to core region to secure employment and send funds to their families in the periphery.

The educational level attained would increase due to increased emphasis on training programs for skill enhancement. The perceived need for skill enhancement may be enhanced by economic contraction in an attempt to lure industries to a region.

The total population figure may be stable if there are government sponsored infrastructure projects. If a "growth pole" is nearby, people may find work in economic expansion. In economic contraction, people may be forced to migrate to a more distant growth pole or to the urban core region.

For dwelling construction, there may be fewer housing starts in an economic contraction due to migration to growth poles or urban areas. In times of expansion, more available local work may mean an increase in new housing. Infrastructure development may mean more opportunity, hence more new housing stock if the project is long term in both expansion and contraction.

The occupational structure may reflect more skilled and semi-skilled labour with increases in construction trades, road construction, sewage, pipelines, and hydro-electric facilities for example. This occurs in expansion or contraction since the desire
to attract capital is constant. There would be decreases in farming and small-scale craft work in expansion. Assisting capital to modernize existing industries such as mining, logging and fishing may actually reduce the number of people finding work in these occupations. If industrial incentives attract industry, there should be an increase in secondary manufacturing.

The family income may be below the national average due to under-employment arising out of short-term projects for infrastructure development. This would hold true in expansion and contraction. Wages would be below the national average to attract capital to the periphery as well.

The number of persons per household may be reduced in times of expansion since people can afford to live on their own. This would be reversed in times of contraction, since people use their families as safety nets.

The number of households may be reduced if migration to a growth pole occurs in times of expansion. If there is local employment in a growth pole region, the number of households may increase in expansion. In times of contraction, less employment opportunity may mean fewer households since people will not be able to afford living on their own.
These statements of intervention strategy and effects on life conditions in the periphery are not intended to be absolute and beyond argument. They are speculative notions of possible effects. They are heuristic elements that are meant to focus attention on the three ideal types of state intervention.

Figure 2 illustrates the intervention strategy across the final set of census variables with the hypothesized effects based on the previous discussion. The zero indicates that no effect occurs regardless of intervention strategy. The plus sign would indicate more of something, for example, in the variable "Period of Dwelling Construction" a plus sign would mean there would be more older buildings. Similarly, a negative sign indicates less of something, for example, decrease in population, fewer people in particular occupations, or lower income. Government transfers are not part of the census, but were included in the figure for illustrative purposes, and will be discussed subsequently.

These interpretations are suggestive and tentative because of problems of inference. To ascribe effects on the population by way of variables suggested by census data solely as a result of intervention strategy would ignore other influencing factors, such as the external workings of the capitalist economy. Speaking in the most general, abstract terms, a case could be made that increases in government funding on social programs like unemployment insurance, health care, education, and nation-wide
**Figure 2: Intervention Strategy in Periphery**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Expand</td>
<td>Contract</td>
<td>Expand</td>
</tr>
<tr>
<td>Population</td>
<td>0</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Sex Ratio*</td>
<td>0</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Education</td>
<td>0</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Secondary</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Post Sec</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Vocational</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Family Inc</td>
<td>+</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Persons per Household</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers</td>
<td>0</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>To Province</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>To Persons</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Period Dwell.</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Construct.</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Occupation</td>
<td>0</td>
<td>0</td>
<td>+</td>
</tr>
<tr>
<td>Prof/Tech</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Clerical</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Sales</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Service</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Farming</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Prmry</td>
<td>+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Manufact/</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Construct</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Transport.</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>*Males/Females</td>
<td>0</td>
<td>0</td>
<td>+</td>
</tr>
</tbody>
</table>

0: no effect
+/: upward
-/: downward

Standardization of services can mean changes in the occupational structure and increases in income in the periphery. Similarly, cutbacks on social spending would reduce the workforce employed by the state may cause migration and also change the occupational structure. Reduced benefits in unemployment insurance, old age
pensions, and child care allowances would reduce incomes. Figure 2 and the associated discussion should be seen as an aid to thinking about possible effects on peripheral regions resulting from general government policy and should remain heuristic.

Grounding the discussion of government policy and life conditions in the periphery on a more empirical basis may be useful for subsequent consideration of the standardized censuses.

For the time period under study (1961-1986) it would be fruitful to ascertain the styles of intervention. As stated, these intervention strategies (laissez-faire, welfare state, administrative recommodification) do not exist as separate chosen strategies but combine with an emphasis on one style or another. The Liberal regime preceding John Diefenbaker in 1957, for example, is characterized as laissez-faire in terms of the periphery yet provided transfer of funding for provinces on the basis of demonstrated, urgent need (Careless, 1977: 7, 34; Bickerton, 1990: 136).

The late nineteen fifties are seen as a time of reorientation toward regional disparities, particularly for the Atlantic region. Four major factors account for this. The Gordon Commission (1957), otherwise known as the Royal Commission on Canada's Economic Prospects, pointed to new concepts in assessing the extent of regional disparities. Rather than a focus on self-correcting
economies and balance, which was the guiding philosophy of the past, the notion of intervention in correcting regional disparity was placed at the forefront (Bradfield, 1987: 174; Careless, 1977: 37). The important contribution of this commission was not what would be the effects if the state intervened but what kind of policies and programs should be employed, thereby taking a more prescriptive than speculative stance. Of note for policy directed towards the Maritimes was the recognition of the great extent of rural poverty and subsistence farming, with recommendations for public spending to aid primary industrial expansion (Bickerton, 1990: 110).

The creation in Nova Scotia of the provincial government sponsored Industrial Estates Limited (I.E.L.) in 1957 is seen as the initial attempt by the province to promote regional development. Essentially, the government role was to act as banker and sponsor, for the corporation was made up of the local business elite and not politicians (Bickerton, 1990: 146). Its mandate was to promote the expansion of industrial activity (especially secondary industry) in Nova Scotia, mainly by providing serviced industrial parks (Careless, 1977: 30). It promoted Nova Scotia to foreign firms by pointing to the "available, cheap, stable labour force" that was available (Bickerton, 1990: 148).

Also of note in the late nineteen fifties was the establishment of the Atlantic Provinces Economic Council (A.P.E.C.)
in 1956. This is essentially a research organization dedicated to gathering statistics on the Atlantic economy, diffusing the findings, and acting as a cohesive group in the lobbying of central government officials on policies related to the regional development field (Bickerton, 1990: 145). It was established by Premiers Robert Stanfield of Nova Scotia and Hugh Fleming of New Brunswick as a privately-staffed and financed body. It essentially sought to diminish poverty regionally by trying to convince Ottawa that what was needed were programs for development assistance and the infrastructure necessary for establishing an industrial economy (Careless, 1977: 31).

The fourth factor accounting for a reorientation towards regional disparities was the election of John Diefenbaker in 1957. His platform for election victory stood on a principle that all of Canada's regions did not share equally in national prosperity (Careless, 1977: 40). Although leader of Canada's Conservative party, he had a reputation for being politically liberal, with a "positive government" approach that sought to promote the development of all of Canada's regions (Bickerton, 1990: 157).

These four factors helped place the issue of regional development, especially for the Maritimes, on the federal agenda during the nineteen-sixties. The legacy of Diefenbaker during that decade was to give to the federal Liberals a commitment to less prosperous regions, and that a new mind-set toward the economy
manifested itself in the belief that free-market principles could not act alone to eliminate regional disparities (Careless, 1977: 40). Diefenbaker raised the issue of regional development to a national concern; one that viewed intervention in the economy as an appropriate action.

After Diefenbaker's defeat in 1963, and with the minority election of a revamped Liberal party, state intervention in the economy was tied to the ideological stance that regional disparities were a "drag" on national economic performance. Hence, the reduction of disparities was essential for national economic well-being (Bickerton, 1990: 166).

Pierre Trudeau brought to his electoral victory in 1968 two ideological stances that have a bearing on intervention strategies for regional development. With growing Quebec nationalism, Trudeau sought to halt the decentralizing tendencies of the provinces by stressing the need for national unity through a strong central government. This was in part formed within a policy commitment to "regional equality of opportunity" (Bickerton, 1990: 207). The other facet of his centralizing strategy was a stated objective of attaining a "morally just society". The problem of regional disparities was seen as related to issues of Quebec's discontent, so acting on the disparities would, of course, include policy initiatives that would address uneven development in Atlantic Canada. A strong central government was seen as essential for
economic equity for the poorer Atlantic provinces (Bickerton, 1990: 208). The period 1968-1975 is seen as the time frame of the most vigorous federal activity to reduce regional disparities through attempts at stimulating economic growth (Bickerton, 1990: 207: Careless, 1977: 86).

The period 1976-1986 saw a re-orientation of regional development strategies brought on by stagflation, fiscal restraint, and the election of a conservative government. Increasing unemployment rates and inflation in 1975-1976 challenged the notion that the state could effectively manage economic growth (Bickerton, 1990: 259). After wage and price controls, the state sought new directions for becoming more efficient. Neo-conservative arguments placed the blame for a weakened economy on excessive government growth, which resulted in a retreat from regional development initiatives. While programs in place did continue, they did so in a "constrained fiscal milieu" (Bickerton, 1990: 260). Further, there was a growing conception that co-ordinated industrial growth based on over-arching federal policy was simply not possible (French, 1980: 105). Responding to the growing rhetoric of restraint, Trudeau cut the federal budget two billion dollars in 1978. With the election victory of Joe Clark in 1979 came a clearly articulated neo-conservative view of regional development. This short-lived government was in favour of privatizing crown corporations, downsizing government intervention and public spending and extolled the virtues of regional diversity and
decentralization (Bickerton, 1990: 266). With the return of the federal Liberals in power, regional development and revitalization was expected to occur with new finds of oil and gas, with mega-projects under the auspices of the National Energy Policy as the core state approach to regional development (Bickerton, 1990: 271). This reliance on oil resources was intended to act as the "engine of growth" for the nineteen eighties. Unfortunately for these plans, the recession of 1982 meant slowed growth and falling demand for energy, reducing the price of oil such that private funding would not be supportive of these new projects (Bickerton, 1990: 277). After the election of Brian Mulroney in 1984, stated policy positions on regional development include the effort to carefully monitor expenditures with "program review and restraint" (Prince, 1987: 252). The focus of the federal Conservatives is to promote economic renewal and de-emphasize income redistribution policies (Prince, 1987: 250). A retreat to a less interventionist position with a reliance on the logic of the free market is viewed by Conservatives as the only viable solution to economic disparities (Bickerton, 1990: 307). The extent of this retreat from interventions to address regional uneven development can be seen in the watered-down committee to deal with this issue. The Cabinet Committee on Economic and Regional Development has as its mandate to deal with farm credit, consumer protection, resource development in the North, labour policy, regional expansion and transportation safety (Prince, 1987: 261). Clearly the regional expansion aspect
will have to share its allocated budget with many other initiatives.

A case could be made that the period of inaction (laissez-faire) was transcended completely by 1957. The commitment to redistribute national wealth with social spending and specific programs to revitalize the periphery of Canada was initiated with the Diefenbaker government in the late nineteen fifties. On the basis of the Gordon Commission's recommendations, programs would be implemented with the intention of stimulating weak regional economies. The social spending and program initiatives would culminate in the early nineteen-seventies, followed by a weakened national economy in the late nineteen-seventies and near abandonment of development programs for the periphery following the election of Brian Mulroney in 1984. Essentially, the intervention strategy of administrative recommodification (the programs aimed at regional economic stimulation) rose and fell during the time period 1961-1986. The welfare state strategy, while not specifically aimed at the periphery, has seen cutbacks but was never seriously abandoned (Banting, 1987: 309).

Within the administrative recommodification strategy, two broad approaches to stimulating growth can be identified in the Canadian case. Specific programs aimed at sectoral development and the more encompassing growth pole development strategy are evident
in attempts at developing Nova Scotia's economy. Both approaches to peripheral economic growth are seen as ineffective.

Bradfield (1987) notes how the Agriculture and Regional Development Act (A.R.D.A., 1961) and the Fund for Rural Economic Development (F.R.E.D., 1966) were criticized by the Atlantic Provinces Economic Council (A.P.E.C.) as being too resource based and labour migration oriented. Careless (1977) states that the F.R.E.D. program was a failure in Nova Scotia because no "multiplier effects" occurred with the exploitation of natural resources (p. 197). Bickerton (1990) points out that the Diefenbaker Conservatives did not have a thought-out strategy for rural development and did not realize the magnitude of poverty in the periphery. Senior bureaucrats (who were closely allied to the federal Liberals for some twenty years prior to the election in 1957) were less than forthcoming in aiding any new projects of a new, Conservative Prime Minister.

The Provincial Industrial Estates Limited (I.E.L.) also had limited success in Nova Scotia (Careless, 1977: 30). The problem with this initiative is that it tended to focus on attracting large, foreign-owned firms. This meant that the investment potential of profits from these firms were lost to local control (Bradfield, 1987: 181). I.E.L. was considered to have spent too much money for every job created and that by 1973 one-third of I.E.L. assisted companies were out of business (Bradfield, 1987: 80)
The Department of Regional Economic Expansion (D.R.E.E.) had overshadowed I.E.L. by 1969, in any case. The D.R.E.E. program replaced the A.R.D.A. and F.R.E.D. programs. When it was initially conceived, D.R.E.E. was to oversee twenty-three designated areas in Canada, with a mandate to provide support to stimulate manufacturing employment. The period 1969-1972 was the time of the greatest spending by D.R.E.E. (Bickerton, 1990: 215). Table 2 shows the unemployment rates for Canada and Nova Scotia. Of note is the increase in unemployment for Nova Scotia during this time of heavy spending on regional development (unemployment went up 5.0 to 7.0 1969-1972). The orientation of D.R.E.E. changed in 1974 when world economic conditions declined, shifting the focus of D.R.E.E. to a consideration of Canada's international competitiveness (Bickerton, 1990: 263). What this reorientation did was include all provinces and urban centres under D.R.E.E., resulting in drastic cuts in financial allotments to the Atlantic provinces. The Atlantic share of D.R.E.E. funds declined from fifty-four percent of its budget in 1969 to thirty-four percent in 1981 (Bradfield, 1987: 175). D.R.E.E. was also seen as a political tool to ease tensions between Quebec and Ottawa, in that job-creating funds were easily diverted to Montreal (Bickerton, 1990: 217). D.R.E.E. was replaced in 1981 with the Department of Regional Industrial Expansion (D.R.I.E.) which had an expanded criterion for aid and was not periphery oriented (Bradfield, 1987: 175). An examination of provincial and federal programs for job creation in the Maritimes shows them to be "barely successful" (Bradfield, 1987: 176).
Table 2: Unemployment Rate Canada and Nova Scotia (1960-1987)

<table>
<thead>
<tr>
<th>Year</th>
<th>Canada</th>
<th>Nova Scotia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>7.0</td>
<td>N.A.</td>
</tr>
<tr>
<td>1961</td>
<td>7.1</td>
<td>N.A.</td>
</tr>
<tr>
<td>1962</td>
<td>5.9</td>
<td>N.A.</td>
</tr>
<tr>
<td>1963</td>
<td>5.5</td>
<td>N.A.</td>
</tr>
<tr>
<td>1964</td>
<td>4.7</td>
<td>N.A.</td>
</tr>
<tr>
<td>1965</td>
<td>3.9</td>
<td>N.A.</td>
</tr>
<tr>
<td>1966</td>
<td>3.6</td>
<td>4.8</td>
</tr>
<tr>
<td>1967</td>
<td>4.1</td>
<td>4.9</td>
</tr>
<tr>
<td>1968</td>
<td>4.8</td>
<td>5.2</td>
</tr>
<tr>
<td>1969</td>
<td>4.7</td>
<td>5.0</td>
</tr>
<tr>
<td>1970</td>
<td>5.9</td>
<td>5.5</td>
</tr>
<tr>
<td>1971</td>
<td>6.2</td>
<td>6.9</td>
</tr>
<tr>
<td>1972</td>
<td>6.2</td>
<td>7.0</td>
</tr>
<tr>
<td>1973</td>
<td>5.5</td>
<td>6.6</td>
</tr>
<tr>
<td>1974</td>
<td>5.3</td>
<td>6.8</td>
</tr>
<tr>
<td>1975</td>
<td>6.9</td>
<td>7.7</td>
</tr>
<tr>
<td>1976</td>
<td>7.1</td>
<td>9.5</td>
</tr>
<tr>
<td>1977</td>
<td>8.1</td>
<td>10.6</td>
</tr>
<tr>
<td>1978</td>
<td>8.4</td>
<td>10.6</td>
</tr>
<tr>
<td>1979</td>
<td>7.4</td>
<td>10.1</td>
</tr>
<tr>
<td>1980</td>
<td>7.5</td>
<td>9.7</td>
</tr>
<tr>
<td>1981</td>
<td>7.5</td>
<td>10.2</td>
</tr>
<tr>
<td>1982</td>
<td>11.0</td>
<td>13.2</td>
</tr>
<tr>
<td>1983</td>
<td>11.9</td>
<td>13.2</td>
</tr>
<tr>
<td>1984</td>
<td>11.3</td>
<td>13.1</td>
</tr>
<tr>
<td>1985</td>
<td>10.5</td>
<td>13.8</td>
</tr>
<tr>
<td>1986</td>
<td>9.6</td>
<td>13.4</td>
</tr>
<tr>
<td>1987</td>
<td>8.9</td>
<td>12.5</td>
</tr>
</tbody>
</table>


In terms of job creation and the periphery, the Conservatives' viewpoint after 1984 is that regional development is unaffected by state intervention and that programs to stimulate growth would be wasteful of national resources (Bickerton, 1990: 308).
The growth pole strategy, which was supported by D.R.E.E. after 1974 is not seen as an effective development tool. Briefly, the growth pole concept is to concentrate infrastructure in urban regions to reach a certain threshold, and then spin-offs and multiplier effects will accrue, resulting in indigenous industrial growth (Bradfield, 1987: 182). The city of Halifax and the Strait of Canso were the two designated growth pole centres in Nova Scotia (Bickerton, 1990: 243). The Strait of Canso (which is commutable from the selected enumeration areas) provided only a relatively small number of long-term jobs for local residents due to exclusion from the union which was protective of its members who were losing their jobs in the mining districts to the North. Only the pulp and paper mill provided local residents with long-term jobs (Bickerton, 1990: 246).

There is consensus in the literature on Atlantic development that transfer payments, especially equalization payments and transfers to persons, have had a positive effect on the quality of life in the Atlantic periphery. While this redistribution of national wealth to the poorer regions is seen as alleviating poverty, there is by no means a sense of satisfaction with the level of development that this funding imbues. A.P.E.C. (1979) reports that Atlantic Canada has moved from poverty to a situation where standardized services have meant that the gap between rich and poor regions has closed, but leaves the provinces as dependent on transfers and are thus "captured clients" and "administrative
arms" of the federal government (p. 34). Taking all the forms of transfer from 1961-1979, A.P.E.C. estimates that three-fifths of the catch-up of regional income as a percent of the national average for Nova Scotia was from federal transfers (p. 80).

It has been argued that the main federal response to regional inequalities has been the equalization payments that allow for standardized services, and that income-security and social welfare programs are essential to Atlantic Canada's economy (Bickerton, 1990: 265). Equalization payment formulas were put in place in 1957 with the Tax Sharing Agreement. Under this plan, the reduction of financial disparities between provinces was based on the per capita yield of tax collections of the two richest provinces. The poorer provinces would get a payment to bring them up to the same level of tax revenue as the richest provinces (Careless, 1977: 35). During the nineteen sixties, this initiative was coupled with a federal directive to attain uniformity in services through joint programs (Careless, 1977: 36).

Canada's Unemployment Insurance Act was brought into existence in 1940. At that time, forty-two percent of the labour force was covered, and the maximum benefit was sixty-three point three (63.3) percent of previous wages covering a time period of up to one year if the person had worked for five continuous years (Pal, 1985: 78). In 1955 the entrance requirements were relaxed, but the insured time period was reduced to thirty-six weeks. The new act covered
seventy-five percent of the labour force, and an average of fifty percent of wages were allocated with slightly more for very low income earners. The act covered seasonal workers as well. By the late nineteen-sixties the impetus of Trudeau's "Just Society" promise was felt in the overhaul of the program in 1971. The unemployment insurance program was increasingly viewed as a social rather than economic initiative, and the program was in competition with the possible enactment of a guaranteed annual income scheme (Pal, 1985: 78). This federal desire to increase its redistributive role was implemented in the new unemployment insurance act. The guaranteed annual income program was rejected because of high cost and the difficulty of attaining provincial acceptance (Pal, 1985: 79). The new act stressed the need for manpower training and placement of workers. The act covered ninety-six percent of the workforce, with sixty-six point six percent (or $100.00) of wages provided for weekly. To qualify, a person needed to work a minimum eight weeks of the last fifty-two, and the longest duration on a claim was fifty-one weeks. The minimum duration on a claim was eight weeks. Of interest also is the provision of a formula for benefits based on the regional unemployment rate (Pal, 1985: 83). The revisions in 1978 on the act are seen as restrictive, since entrance requirements for repeat users and new users were toughened up, as well as for those that worked few hours but at high wages. The benefit rate dropped from sixty-six point six to sixty percent. Those people with high wages would have to return a portion of the benefits if they had received them in the previous year (Pal, 1985: 85)
The decade of the nineteen-eighties was supposed to be one of economic growth based on energy resources. The government in 1980 wanted to change the act to meet labour market objectives by enhanced mobility to try and facilitate the regional impacts of employment in the energy industry. With the recession and economic contraction that followed, the program was not changed by 1985 (Pal, 1985: 98).

Looking at the tax transfer system as a whole, there does not seem to be a retreat (up to the mid-nineteen-eighties at least) from redistributive goals of the federal government, on the most broad, general programs (Banting, 1987: 332). Table 3 illustrates the federal expenditure in constant dollars from 1961-1986. The figures seem to bear out this lack of retreat. As previously mentioned, the regional development and planning expenditure is bound up with other initiatives so it would be a mistake to see the increase here (from 68 million in 1981 to 88 million in 1986) as a real increase for regional development. With this political and economic background in mind, we return our attention to the selected enumeration areas of Inverness County, Cape Breton.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>238</td>
<td>1308</td>
<td>4391</td>
<td>7143</td>
</tr>
<tr>
<td>Social Services</td>
<td>1516</td>
<td>4496</td>
<td>21514</td>
<td>39222</td>
</tr>
<tr>
<td>Canada Pension Plans</td>
<td>- 89</td>
<td>2029</td>
<td>4942</td>
<td></td>
</tr>
<tr>
<td>Old Age Security</td>
<td>625</td>
<td>1907</td>
<td>7418</td>
<td>12525</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>52</td>
<td>838</td>
<td>4744</td>
<td>10340</td>
</tr>
<tr>
<td>Worker's Compensation</td>
<td>-</td>
<td>28</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Family Allowance</td>
<td>506</td>
<td>616</td>
<td>1851</td>
<td>2501</td>
</tr>
<tr>
<td>Veteran's Benefits</td>
<td>292</td>
<td>409</td>
<td>993</td>
<td>1518</td>
</tr>
<tr>
<td>Social Welfare Assist</td>
<td>-</td>
<td>2246</td>
<td>4573</td>
<td></td>
</tr>
<tr>
<td>Assistance to disabled, handicapped, unemployed and other needy persons</td>
<td>- 560</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other Social Welfare</td>
<td>41</td>
<td>77</td>
<td>909</td>
<td>1284</td>
</tr>
<tr>
<td>Tax Credits and Rebates</td>
<td>-</td>
<td>1296</td>
<td>1505</td>
<td></td>
</tr>
<tr>
<td>Regional Planning and Development</td>
<td>- 58</td>
<td>162</td>
<td>278</td>
<td></td>
</tr>
<tr>
<td>General Purpose Transfers to other levels of Govt.</td>
<td>538</td>
<td>1319</td>
<td>4387</td>
<td>6799</td>
</tr>
</tbody>
</table>

Current dollars from *Canada Year Book*, 1963-64, 1973, 1988, 1990, except for 1961 Old Age Security, which was obtained from *Historical Statistics of Canada*, catalogue CS11-516E, 1983. Some of the expenditures were called by slightly different names from year to year. For example, transfers were called 'tax sharing, subsidy and other payments to provinces' in 1961. Also in 1961, Unemployment Insurance and Veteran's Benefits were called Unemployment Assistance and Veteran's Affairs; Other Social Welfare was 'Other Health and Welfare'.

87
Table 4 shows the population of the selected enumeration areas compared to the province and Canada for each census year.

Table 4: Population of Canada, Nova Scotia and Selected Enumeration Areas with Males/Females, Households and Families for Selected Enumeration Areas

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>18,238,247</td>
<td>21,568,310</td>
<td>24,343,180</td>
<td>25,309,331</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>737,007</td>
<td>788,960</td>
<td>847,445</td>
<td>873,176</td>
</tr>
<tr>
<td>Selected EA's</td>
<td>2,782</td>
<td>2,840</td>
<td>3,355</td>
<td>3,285</td>
</tr>
<tr>
<td>Total Males</td>
<td>1,546</td>
<td>1,525</td>
<td>1,735</td>
<td>1,700</td>
</tr>
<tr>
<td>Total Females</td>
<td>1,236</td>
<td>1,310</td>
<td>1,615</td>
<td>1,585</td>
</tr>
<tr>
<td>Total Households</td>
<td>556</td>
<td>615</td>
<td>910</td>
<td>920</td>
</tr>
<tr>
<td>Total Families</td>
<td>455</td>
<td>515</td>
<td>720</td>
<td>730</td>
</tr>
</tbody>
</table>

*From Catalogue 95-510
Totals do not always equal the sum of males and females because of the rounding process employed by Statistics Canada.

Between 1971 and 1981 there was an increase of population in the selected enumeration areas from 2,840 to 3,355, representing an 18.13 percent increase in population. By contrast, Nova Scotia increased 7.41 percent and Canada's population increased 12.87 percent. This was during the Liberal reign when redistributive and welfare policies were a major component of their governing strategy. If we consider the period 1981-1986, the selected enumeration areas show a decrease in total population from 3,355 to 3,285, which is a 2.09 percent reduction. Nova Scotia and Canada
increase their populations by 3.04 and 3.97 percent respectively. This was a time of fiscal restraint for both Liberals and Conservatives (Conservatives were voted into power in 1984), which is suggestive of an out-migration trend during a time of changing governmental policy and economic contraction. In general terms, this seems to illustrate the tendency for peripheral areas to react with greater intensity to conditions well beyond its borders.

Tables 5 and 6 show the number of persons per household for the selected enumeration areas, Nova Scotia and Canada. Two interesting trends can be noted. For the category "10 or more persons", the selected enumeration areas had 10.14 percent of

Table 5: Number of Persons by Household, Selected EAs, Nova Scotia and Canada (1986 categories)

<table>
<thead>
<tr>
<th>Persons per Household</th>
<th>EAs</th>
<th>N.S.</th>
<th>Can</th>
<th>EAs</th>
<th>N.S.</th>
<th>Can</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11.21</td>
<td>8.60</td>
<td>9.30</td>
<td>10.48</td>
<td>11.43</td>
<td>13.44</td>
</tr>
<tr>
<td>2</td>
<td>13.98</td>
<td>20.70</td>
<td>22.20</td>
<td>20.97</td>
<td>24.02</td>
<td>25.25</td>
</tr>
<tr>
<td>3</td>
<td>27.80</td>
<td>17.50</td>
<td>17.80</td>
<td>14.52</td>
<td>17.86</td>
<td>17.32</td>
</tr>
<tr>
<td>4 - 5</td>
<td>15.67</td>
<td>30.90</td>
<td>31.70</td>
<td>24.19</td>
<td>29.12</td>
<td>29.53</td>
</tr>
<tr>
<td>6 - 9</td>
<td>21.20</td>
<td>19.70</td>
<td>17.00</td>
<td>21.77</td>
<td>15.89</td>
<td>13.39</td>
</tr>
<tr>
<td>10 or more</td>
<td>10.14</td>
<td>2.60</td>
<td>2.10</td>
<td>8.06</td>
<td>1.69</td>
<td>1.08</td>
</tr>
</tbody>
</table>

HHlds  
(556)(175,341)(4,554,736)(620)(208,422)(6,041,302)

* 1961 from catalogue 95-510
1971 from catalogue 93-702

households with this amount of people in 1961, while Nova Scotia and Canada were similar at 2.60 and 2.10 percent respectively. In 1971 there was a slight drop (to 8.06%) in the selected enumeration
areas with Nova Scotia and Canada again similar with 1.69 and 1.08 respectively. In 1981 and 1986, this category all but disappeared for the three areas. This suggests a very different experience in the peripheral area in terms of very large numbers of people per household from the 1960's to the 1970's. By 1981 the peripheral

Table 6: Number of Persons by Household, Selected EAs, Nova Scotia and Canada (1986 categories)

<table>
<thead>
<tr>
<th>Persons per Household</th>
<th>1981</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EAs</td>
<td>N.S.</td>
</tr>
<tr>
<td>1</td>
<td>15.93</td>
<td>17.79</td>
</tr>
<tr>
<td>2</td>
<td>20.88</td>
<td>27.72</td>
</tr>
<tr>
<td>3</td>
<td>17.03</td>
<td>18.25</td>
</tr>
<tr>
<td>4 - 5</td>
<td>29.67</td>
<td>29.01</td>
</tr>
<tr>
<td>6 - 9</td>
<td>16.48</td>
<td>6.97</td>
</tr>
<tr>
<td>10 or more</td>
<td>-</td>
<td>.27</td>
</tr>
<tr>
<td>HHlds</td>
<td>(910)</td>
<td>(273,195)</td>
</tr>
</tbody>
</table>

* 1981 from catalogue 95-902
1986 from catalogue 94-105

area was the same as the province and the nation in terms of these very large households. Those households with 6-9 persons were remarkably consistent over the twenty-six year period for the selected enumeration areas in that it was 21.20 in 1961, was practically the same in 1971 at 21.77, dropping to 16.48 in 1981 and 16.30 in 1986. This same category fell from (1961) 17.00 percent, (1971) 13.39, (1981) 5.31, (1986) 3.75 for Canada with a similar showing for Nova Scotia. This suggests that the enumeration areas, while experiencing a downward trend in large numbers of
people per household, are different from the province and the nation in that they maintain more people per household.

Tables 7 through 11 show the period of construction of dwellings in the selected enumeration areas, the province and the nation. Since each table has different categories, it is necessary to examine them separately. Fortunately, it is possible to determine new construction during each intercensal period.

Table 7 shows dwellings built between 1946 and 1961 (the two most recent categories combined) accounted for 8.63 percent of

<table>
<thead>
<tr>
<th>Built Before 1920</th>
<th>EAs</th>
<th>Nova Scotia</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>(41 years or older)</td>
<td>76.98</td>
<td>47.60</td>
<td>30.56</td>
</tr>
<tr>
<td>Built 1920 - 1945</td>
<td>14.39</td>
<td>21.68</td>
<td>25.21</td>
</tr>
<tr>
<td>(16 - 40 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Built 1946 - 1959</td>
<td>8.63</td>
<td>28.26</td>
<td>40.54</td>
</tr>
<tr>
<td>(2 - 15 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Built 1960 - 1961</td>
<td>0.00</td>
<td>2.45</td>
<td>3.69</td>
</tr>
<tr>
<td>(1 year or less)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dwellings</td>
<td>(556)</td>
<td>(175,340)</td>
<td>(4,554,493)</td>
</tr>
</tbody>
</table>

*Provincial and national figures from Catalogue 93-523, Table 15

all dwellings in the selected enumeration areas. For Nova Scotia this figure was 30.71 percent and for Canada it was 44.23 percent. This probably reflects provincial and national post-war urban growth.
The period 1961-1971 on table 8 (the three most recent categories combined) show new construction of dwellings in the intercensal period. The selected enumeration areas had 11.44 percent of dwellings built between 1961 and 1971. The province had 21.13 percent and the nation 28.84 percent, showing again the extent that the enumeration areas were behind provincial and national figures in new dwelling stock.

Table 8: Dwellings by Period of Construction, 1971 Census, for Selected EAs, Nova Scotia and Canada

<table>
<thead>
<tr>
<th></th>
<th>EAs</th>
<th>Nova Scotia</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Built Before 1946</td>
<td>76.33</td>
<td>53.23</td>
<td>38.00</td>
</tr>
<tr>
<td>(26 years or older)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Built 1946 - 1950</td>
<td>3.82</td>
<td>9.82</td>
<td>10.22</td>
</tr>
<tr>
<td>(21 - 25 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Built 1951 - 1960</td>
<td>8.40</td>
<td>15.82</td>
<td>22.94</td>
</tr>
<tr>
<td>(11 - 20 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Built 1961 - 1965</td>
<td>3.05</td>
<td>9.45</td>
<td>13.38</td>
</tr>
<tr>
<td>(6 - 10 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Built 1966 - 1970</td>
<td>7.63</td>
<td>11.11</td>
<td>14.76</td>
</tr>
<tr>
<td>(1 - 5 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Built 1971</td>
<td>0.76</td>
<td>0.57</td>
<td>0.70</td>
</tr>
<tr>
<td>(less than 1 year)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Dwellings</td>
<td>(655)</td>
<td>(206,920)</td>
<td>(6,030,805)</td>
</tr>
</tbody>
</table>

*Provincial and national figures from Catalogue 39-731, Table 24

Table 9 shows the period of construction between 1971 and 1981. In this decade, new housing in the selected enumeration areas out-paced the provincial and national figures. The enumeration areas had 41.49 percent, compared to 30.33 percent for the province and 32.45 percent for Canada. This new housing activity occurred at the same time as the expansion of federal...
Table 9: Dwellings by Period of Construction, 1981 Census, for Selected EAs, Nova Scotia and Canada

<table>
<thead>
<tr>
<th></th>
<th>EAs</th>
<th>Nova Scotia</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Built Before 1946</td>
<td>43.62</td>
<td>35.91</td>
<td>23.40</td>
</tr>
<tr>
<td>(36 years or older)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Built 1946 - 1960</td>
<td>4.79</td>
<td>17.74</td>
<td>22.41</td>
</tr>
<tr>
<td>(21 - 35 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Built 1961 - 1970</td>
<td>10.11</td>
<td>16.02</td>
<td>21.73</td>
</tr>
<tr>
<td>(11 - 20 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Built 1971 - 1981</td>
<td>41.49</td>
<td>30.33</td>
<td>32.45</td>
</tr>
<tr>
<td>(10 years or less)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Dwellings</td>
<td>(940)</td>
<td>(273,195)</td>
<td>(8,281,530)</td>
</tr>
</tbody>
</table>

* Provincial and national figures from Catalogue 95-941, Table 1

Social programs and regional development initiatives, notably at the Strait of Canso.

Table 10 shows the extent of CMHC reduced funding for housing, both as a lending institution itself and for approved lenders. In 1984 the CMHC had its budget cut by thirty-nine million dollars (Prince, 1987: 268).

Table 10: Dwelling Units Started by Type of Financing, 1961, 1971, 1981 and 1986 (percentage of total)

<table>
<thead>
<tr>
<th>Date:</th>
<th>National Housing Act</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CMHC Loans</td>
<td>Approved Lender Loans</td>
</tr>
<tr>
<td>1961</td>
<td>23,852</td>
<td>35,334</td>
</tr>
<tr>
<td>(23)</td>
<td>(34)</td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>41,442</td>
<td>87,802</td>
</tr>
<tr>
<td>(18)</td>
<td>(38)</td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>2,148</td>
<td>26,539</td>
</tr>
<tr>
<td>(1)</td>
<td>(15)</td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>979</td>
<td>15,778</td>
</tr>
<tr>
<td>(.5)</td>
<td>(8)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Canada Year Book, 1962-1990

93
Table 11 shows the period 1981-1986 with 6.95 percent of dwellings 5 years or less for the enumeration areas, 10.54 percent for the province and 10.69 percent for the nation. This suggests the heyday of new housing for all three regions was over, especially so for the selected enumeration areas. This could be attributed to the fall-out from the 1982-83 recession as well as the new conservative government changing ideology towards regional development programs.

Table 11: Dwellings by Period of Construction, 1986 Census, for Selected EAs, Nova Scotia and Canada

<table>
<thead>
<tr>
<th></th>
<th>EAs</th>
<th>Nova Scotia</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Built Before 1946 (41 years or older)</td>
<td>43.85</td>
<td>30.90</td>
<td>20.28</td>
</tr>
<tr>
<td>Built 1946 - 1960 (26 - 40 years)</td>
<td>4.81</td>
<td>16.57</td>
<td>19.98</td>
</tr>
<tr>
<td>Built 1971 - 1980 (6 - 15 years)</td>
<td>34.76</td>
<td>27.76</td>
<td>29.67</td>
</tr>
<tr>
<td>Built 1981 - 1986 (5 years or less)</td>
<td>6.95</td>
<td>10.54</td>
<td>10.64</td>
</tr>
<tr>
<td>Total Dwellings</td>
<td>(935)</td>
<td>(295,785)</td>
<td>(8,991,670)</td>
</tr>
</tbody>
</table>

*Provincial and national figures from Catalogue 94-106, Table 7

Table 12 was constructed to serve as an indication of the extent of the difference between the selected enumeration areas and the province and nation in terms of earnings of the family head and total family earnings for 1961. The enumeration areas earn 62.23
Table 12: Average Earnings, Percent of Total Families and Income for Families with Wage Earning Heads, 1961

<table>
<thead>
<tr>
<th>Locality and earnings (Total families with wage earners)</th>
<th>&lt;$2000</th>
<th>$2-</th>
<th>$3-</th>
<th>$4-</th>
<th>$5-</th>
<th>$6-</th>
<th>$7-</th>
<th>$10000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2,740,276)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head Earnings</td>
<td>12.32</td>
<td>13.89</td>
<td>23.62</td>
<td>21.86</td>
<td>12.84</td>
<td>6.47</td>
<td>6.27</td>
<td>2.73</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head $4153</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fam. $4906</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nova Scotia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(105,675)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head Earnings</td>
<td>21.12</td>
<td>20.46</td>
<td>24.49</td>
<td>17.69</td>
<td>8.37</td>
<td>4.00</td>
<td>3.72</td>
<td>1.16</td>
</tr>
<tr>
<td>Fam. Earnings</td>
<td>16.16</td>
<td>17.29</td>
<td>21.45</td>
<td>18.24</td>
<td>10.92</td>
<td>6.72</td>
<td>7.25</td>
<td>1.97</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head $3431</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fam. $3954</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selected EA's</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(105)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head Earnings</td>
<td>35.58</td>
<td>17.31</td>
<td>16.35</td>
<td>13.46</td>
<td>9.62</td>
<td>5.77</td>
<td>3.96</td>
<td>0.96</td>
</tr>
<tr>
<td>Fam. Earnings</td>
<td>27.18</td>
<td>18.45</td>
<td>13.59</td>
<td>16.50</td>
<td>12.62</td>
<td>4.85</td>
<td>3.88</td>
<td>2.91</td>
</tr>
<tr>
<td>Average:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head $2988</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fam. $3053</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Provincial and national figures from Catalogue 93-519, Dominion Bureau of Statistics, 1961

percent of the Canadian average family income. They earn 77.21 percent of the provincial average family income, and the province earns 80.56 percent of the national figure for family income. The modal family income for Canada fell in the '4000-4999' dollar category, while for the province it was in the '3000-3999' dollar category. The selected enumeration areas had a mode in the '2000 dollar or less' category*.  

95
Table 13 is illustrative of family income over the census years in constant 1971 dollars, for rural areas. In 1961, family income for the enumeration areas was 81.85 percent of the national average and 94.23 percent of the provincial average. In 1971 the enumeration areas were 73.46 percent of the national average and 84.85 percent of the provincial average. In 1986, the enumeration areas were 86.75 percent of the national figure and 99.62 of the provincial figure. This suggests that in 1971 the enumeration areas lagged behind other rural areas both provincially and nationally, but by 1986 they were closer to national and provincial averages than at any other time. Unfortunately, the 1981 Census did not include the measure of family income. I would suspect that the gap between family income and location would have been closing by that time.

Table 13: Family Income for Canada, Nova Scotia and Selected EA's (Rural)*, Current and Constant (1971) Dollars

<table>
<thead>
<tr>
<th>Area</th>
<th>Census Year</th>
<th>1961</th>
<th>1971</th>
<th>1981</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td></td>
<td>$3731</td>
<td>$7428</td>
<td>-</td>
<td>$37,827</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4973)</td>
<td></td>
<td></td>
<td>(11,991)</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td></td>
<td>$3241</td>
<td>$6431</td>
<td>-</td>
<td>$32,938</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4320)</td>
<td></td>
<td></td>
<td>(10,441)</td>
</tr>
<tr>
<td>All EA's</td>
<td></td>
<td>$3054</td>
<td>$5457</td>
<td>-</td>
<td>$32,816</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(4071)</td>
<td></td>
<td></td>
<td>(10,403)</td>
</tr>
</tbody>
</table>

*1961 figures do not include farm income.
1961 figures from Catalogue 94-535
1971, 1986 figures from Catalogue 93-723
Constant dollars calculated by the author based on Catalogue 13-531 (occasional) National Income and Expenditure Accounts, Annual Estimates, Table 42, p. 104

<table>
<thead>
<tr>
<th>Year</th>
<th>Transfer Payment</th>
<th>Difference (Constant $)</th>
<th>Difference (Percent) (Constant $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>48,000,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(72,685,824)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1961</td>
<td>113,000,000</td>
<td>77,943,176</td>
<td>+51.75</td>
</tr>
<tr>
<td></td>
<td>(150,629,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>312,000,000</td>
<td>161,371,000</td>
<td>+51.72</td>
</tr>
<tr>
<td></td>
<td>(559,020,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>1,331,000,000</td>
<td>247,020,000</td>
<td>+44.19</td>
</tr>
<tr>
<td></td>
<td>(559,020,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>2,269,000,000</td>
<td>160,706,800</td>
<td>+22.33</td>
</tr>
<tr>
<td></td>
<td>(719,726,800)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Current Dollars from catalogue 13-531 (occasional), National Income and Expenditure Accounts, Annual Estimates, Table 42, pp. 104*

** Transfers to Persons defined as:
"Payments such as family allowances, unemployment benefits, old age security benefits, scholarships and research grants, social welfare payments, grants to private, non-commercial institutions, grants to post-secondary institutions, government pensions paid to government employees and pensions paid under the Canada and Quebec pension plans." (Glossary, p. 236, catalogue 13-531)

Table 14 shows, in constant dollars, the transfer payment to persons made to Nova Scotia for each census year. Real increases from 1961 to 1971 were at 51.72 percent, from 1971 to 1981 increases in payment were at 44.19 percent. The period 1981 to 1986 saw an increase of 22.33 percent. This indicates a trend to ever-increasing transfers to persons, yet it should be noted that the
tendency is to reduce the transfers as time progresses. The reduced spending on transfers in 1981 could be part of the trimming of government spending that had already started to occur. The further reduction in spending in 1986 may be part of the fiscal restraint policies of the federal conservatives (for example, the failed attempt to de-index old age pensions in 1984).

Table 15 notes in a similar vein the transfer payments made to Nova Scotia. Holding the dollar constant in this case shows a real reduction in payment from 1981-1986 of .95 percent. This contrasts sharply with the 43.56 percent increase from 1971-1981 and the 60.32 percent increase between 1961 and 1971. This is suggestive of

<table>
<thead>
<tr>
<th>Year</th>
<th>Transfer payment</th>
<th>Difference (Constant $)</th>
<th>Difference (Percent) (Constant $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>70,115,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(93,463,295)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>235,571,000</td>
<td>142,107,705</td>
<td>+60.32</td>
</tr>
<tr>
<td>1981</td>
<td>993,762,000</td>
<td>161,809,040</td>
<td>+43.56</td>
</tr>
<tr>
<td></td>
<td>(417,380,040)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>1,303,349,000</td>
<td>3,957,737</td>
<td>-.95</td>
</tr>
<tr>
<td></td>
<td>(413,422,303)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a levelling off of funding with no new policies that serve to redistribute national wealth by way of intergovernmental transfers.

Table 16 lists the percent of the population in various occupations for the enumeration areas. The largest trend noted in this table is the major reduction of farming as occupation, from 39.05 percent to 13.07 percent from 1961 to 1971. This downward trend continues for farming through 1986. Other primary occupations also reduced from 16.00 percent to 11.76 percent (1961-1971), and stayed at about the same level for other census years. The professional/technical subtotal increased from 8.96 percent in 1961 to a high in 1981 of 19.17 percent. This dropped to 14.91 percent in 1986. Also increasing was the manufacturing/construction occupations, from 11.91 percent in 1961 to a high of 21.80 percent in 1981. This also decreased in 1986, to 18.55 percent. The clerical, sales and service occupations also increased through the census years. What is interesting about this occupation table is the increase in occupations that would be required if health care, education and the construction of buildings and infrastructure were part of the general policy field. During the nineteen seventies this was the case. The reduction of the professional/technical occupations as well as the manufacturing/construction occupations are possibly illustrative of a reduction in economic activity, i.e., the lack of recovery from the 1982 recession.
Table 16: Percent Occupation for Selected EA's, 1961-1986  
(1971 Occupation Categories)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial and Related</td>
<td>6.27</td>
<td>3.26</td>
<td>2.26</td>
<td>8.36</td>
</tr>
<tr>
<td>Teaching and Related</td>
<td>-</td>
<td>12.42</td>
<td>9.77</td>
<td>5.45</td>
</tr>
<tr>
<td>Medicine and Health</td>
<td>-</td>
<td>3.26</td>
<td>6.02</td>
<td>4.73</td>
</tr>
<tr>
<td>Technical, Social,</td>
<td>-</td>
<td>1.96</td>
<td>3.38</td>
<td>4.73</td>
</tr>
<tr>
<td>Relig, Artist</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional,</td>
<td>8.96</td>
<td>17.64</td>
<td>19.17</td>
<td>14.91</td>
</tr>
<tr>
<td>Technical Subtotal**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerical</td>
<td>3.71</td>
<td>8.49</td>
<td>10.53</td>
<td>11.27</td>
</tr>
<tr>
<td>Sales</td>
<td>2.05</td>
<td>8.49</td>
<td>7.89</td>
<td>6.18</td>
</tr>
<tr>
<td>Service</td>
<td>7.04</td>
<td>8.49</td>
<td>11.27</td>
<td>10.55</td>
</tr>
<tr>
<td>Farming and Horticulture</td>
<td>39.05</td>
<td>13.07</td>
<td>7.52</td>
<td>6.91</td>
</tr>
<tr>
<td>Other Primary</td>
<td>16.00</td>
<td>11.76</td>
<td>11.65</td>
<td>12.36</td>
</tr>
<tr>
<td>Processing</td>
<td>-</td>
<td>2.61</td>
<td>3.01</td>
<td>4.36</td>
</tr>
<tr>
<td>Machining,</td>
<td>-</td>
<td>3.92</td>
<td>4.51</td>
<td>3.64</td>
</tr>
<tr>
<td>Fabricating</td>
<td></td>
<td>14.37</td>
<td>14.29</td>
<td>10.55</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacture/ Construct.</td>
<td>11.91</td>
<td>20.91</td>
<td>21.80</td>
<td>18.55</td>
</tr>
<tr>
<td>subtotal*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>4.48</td>
<td>3.92</td>
<td>3.76</td>
<td>8.73</td>
</tr>
<tr>
<td>Other</td>
<td>0.51</td>
<td>3.92</td>
<td>4.14</td>
<td>2.18</td>
</tr>
<tr>
<td>Total Workforce</td>
<td>(781)</td>
<td>(765)</td>
<td>(1330)</td>
<td>(1375)</td>
</tr>
</tbody>
</table>

** Includes Teaching, Medicine and Technical  
* Includes Processing, Machining and Construction  

Table 17 shows the percent occupation for Canada and Nova Scotia. Viewed as a whole, the comparison between the selected EA occupations and the provincial and national occupations are suggestive of an ever-increasing similarity between the three levels. In nineteen eighty-six the occupations have very similar
Table 17: Percent Occupation for Canada and Nova Scotia, 1961-86 (1971 Occupation Categories)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial and Related</td>
<td>3.04</td>
<td>4.31</td>
<td>6.78</td>
<td>7.89</td>
<td>2.69</td>
<td>3.37</td>
<td>6.78</td>
<td>6.31</td>
</tr>
<tr>
<td>Teaching and Related</td>
<td>2.74</td>
<td>4.05</td>
<td>4.07</td>
<td>4.13</td>
<td>3.20</td>
<td>4.42</td>
<td>4.50</td>
<td>4.46</td>
</tr>
<tr>
<td>Medicine and Health</td>
<td>2.87</td>
<td>3.79</td>
<td>4.32</td>
<td>4.69</td>
<td>3.46</td>
<td>4.06</td>
<td>5.01</td>
<td>5.27</td>
</tr>
<tr>
<td>Technical, Social, Relig, Artist, Professional</td>
<td>3.94</td>
<td>4.84</td>
<td>6.57</td>
<td>7.21</td>
<td>2.80</td>
<td>4.15</td>
<td>5.50</td>
<td>5.79</td>
</tr>
<tr>
<td>Technical ttl*</td>
<td>9.55</td>
<td>12.68</td>
<td>14.96</td>
<td>16.03</td>
<td>9.46</td>
<td>12.63</td>
<td>15.01</td>
<td>15.52</td>
</tr>
<tr>
<td>Clerical</td>
<td>13.81</td>
<td>15.92</td>
<td>18.25</td>
<td>17.68</td>
<td>11.49</td>
<td>13.28</td>
<td>15.94</td>
<td>15.96</td>
</tr>
<tr>
<td>Sales</td>
<td>10.64</td>
<td>9.46</td>
<td>9.55</td>
<td>9.91</td>
<td>10.27</td>
<td>9.64</td>
<td>9.92</td>
<td>9.67</td>
</tr>
<tr>
<td>Service</td>
<td>12.35</td>
<td>11.24</td>
<td>11.92</td>
<td>12.68</td>
<td>16.19</td>
<td>15.66</td>
<td>14.31</td>
<td>15.44</td>
</tr>
<tr>
<td>Farming and Horticulture</td>
<td>10.04</td>
<td>5.94</td>
<td>4.23</td>
<td>4.19</td>
<td>5.02</td>
<td>2.97</td>
<td>2.53</td>
<td>2.57</td>
</tr>
<tr>
<td>Other Primary</td>
<td>2.76</td>
<td>1.78</td>
<td>1.64</td>
<td>1.53</td>
<td>9.70</td>
<td>4.58</td>
<td>4.42</td>
<td>4.29</td>
</tr>
<tr>
<td>Processing</td>
<td>5.15</td>
<td>3.88</td>
<td>3.93</td>
<td>3.42</td>
<td>5.96</td>
<td>4.54</td>
<td>4.83</td>
<td>4.27</td>
</tr>
<tr>
<td>Machining, Fabricating</td>
<td>11.09</td>
<td>10.15</td>
<td>10.31</td>
<td>9.45</td>
<td>6.81</td>
<td>7.11</td>
<td>7.49</td>
<td>6.85</td>
</tr>
<tr>
<td>Construction</td>
<td>8.50</td>
<td>6.95</td>
<td>6.41</td>
<td>5.76</td>
<td>9.96</td>
<td>8.95</td>
<td>7.44</td>
<td>7.35</td>
</tr>
<tr>
<td>Manufacture/Construct</td>
<td>24.74</td>
<td>20.98</td>
<td>20.65</td>
<td>18.63</td>
<td>22.73</td>
<td>20.60</td>
<td>19.76</td>
<td>18.47</td>
</tr>
<tr>
<td>Transportation</td>
<td>4.65</td>
<td>3.92</td>
<td>3.81</td>
<td>3.56</td>
<td>5.51</td>
<td>4.98</td>
<td>4.25</td>
<td>3.92</td>
</tr>
<tr>
<td>Other</td>
<td>8.42</td>
<td>14.14</td>
<td>8.20</td>
<td>7.88</td>
<td>6.92</td>
<td>12.30</td>
<td>8.35</td>
<td>7.85</td>
</tr>
<tr>
<td>Total (000's)</td>
<td>(6922)</td>
<td>(8626)</td>
<td>(12005)</td>
<td>(12783)</td>
<td>(259)</td>
<td>(286)</td>
<td>(378)</td>
<td>(409)</td>
</tr>
</tbody>
</table>

* Includes Teaching, Medicine and Technical  
** Includes Processing, Machining and Construction

Other includes other crafts and equipment occupations not available on Statistics Canada magnetic tape 3069VT file 10 A2FAM001. These categories were collapsed into other for the selected enumeration areas as well as the Statistics Canada publication (see below). Occupations for Canada and Nova Scotia for all years from catalogue 93-151, Census of Canada, 1986.

percentages for the managerial, teaching, medicine and health, and technical/social categories for the EA's, the province, and the nation. If a comparison is made between the manufacturing/construction subtotal for the three levels, the percentages are
very similar. Considering the construction occupation alone from 1971 onwards shows that this was the major work activity in this category for the selected enumeration areas, not manufacturing. Where the enumeration areas differ from the other levels is in the higher level of farming and other primary occupations. The occupations related to social services are similar for the three levels, probably reflecting standardized national services. The higher level of construction in the EA's may reflect the economic activity in the Strait of Canso region.

Table 18 shows the educational level attained by census year for the enumeration areas. It is interesting to note the increase in vocational and trade category (from 7.39% in 1971 to 21.47% in 1986) and the increase in the number of people attending university. Perhaps this is indicative of the support given to vocational schools and trades by the government, as well as the great amount of support Nova Scotia gave to education during this period, second only to the expenditure for health care. Education was seen by the province as a means to modernize and progress (A.P.E.C., 1979).
Table 18: Education Level by Census Year, Selected EAs 1961 - 1986, 15 years and over

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than High School</td>
<td>61.26</td>
<td>30.65</td>
<td>17.16</td>
<td>13.09</td>
</tr>
<tr>
<td></td>
<td>(1186)</td>
<td>(705)</td>
<td>(375)</td>
<td>(320)</td>
</tr>
<tr>
<td>High School</td>
<td>34.92</td>
<td>51.74</td>
<td>53.55</td>
<td>47.44</td>
</tr>
<tr>
<td></td>
<td>(676)</td>
<td>(1190)</td>
<td>(1170)</td>
<td>(1160)</td>
</tr>
<tr>
<td>Non-University</td>
<td>N.A.</td>
<td>7.39</td>
<td>12.59</td>
<td>21.47</td>
</tr>
<tr>
<td>Post Secondary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Vocational, Trade)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some University</td>
<td>2.17</td>
<td>7.39</td>
<td>8.24</td>
<td>11.66</td>
</tr>
<tr>
<td></td>
<td>(42)</td>
<td>(170)</td>
<td>(180)</td>
<td>(285)</td>
</tr>
<tr>
<td>University (Degree)</td>
<td>1.65</td>
<td>2.83</td>
<td>8.47</td>
<td>6.34</td>
</tr>
<tr>
<td></td>
<td>(32)</td>
<td>(65)</td>
<td>(185)</td>
<td>(155)</td>
</tr>
<tr>
<td>Total</td>
<td>(1936)</td>
<td>(2300)</td>
<td>(2185)</td>
<td>(2445)</td>
</tr>
</tbody>
</table>
Discussion

Taking stock of the general picture, we see an increase in population in the enumeration areas that outpaces the province and nation between 1971 and 1981. This drops below provincial and national levels between 1981 and 1986. There are more persons per household in that the category 6-9 persons is consistent over time while it has a large decrease provincially and nationally.

Construction of dwellings is above provincial and national levels between 1971 and 1981. This drops to below provincial and national levels between 1981 and 1986. Family income levels were always below the national average, but by 1986 it was closer to the national average than at any other time. Perhaps this was true in 1981 when the family income variable was not available.

Federal transfers to persons were always increasing, but each census year has a reduction in the increase. Transfers to Nova Scotia decrease in 1986 to below the 1981 level as shown by the conversion to constant dollars.

Farming as an occupation drops precipitously through the census years. Primary occupations also decrease, but stay well above provincial and national figures. There were increases in professional, technical, manufacturing and construction during the period 1971 to 1981. These occupations were slightly reduced in
number between 1981 and 1986. There were increases in clerical, sales and service occupations through all the censuses. Finally, there were more people taking vocational and university training by 1986.

The greatest economic activity of the enumeration areas occurred between 1971 and 1981. This would correspond to the welfare state and redistributive strategies adopted by the federal liberals. The indicators that went down between 1981 and 1986 would correspond to the growing fiscal crisis and recession of the early nineteen eighties and policies of reduced spending would be felt through reduced transfer payments and other social spending. This most recent period may be reflecting a desire to let market forces play a larger role since it is the major strategy of the conservative ideology. Due to policies that are generated by a reaction to fiscal restraint and changing ideology towards programs to develop regional economies, there would not be increases in spending to recommodify the periphery. Following Marchak's lead, we may find labour in the periphery desperate for work with reduced spending on programs that had previously improved local-level conditions.
Conclusions

General dependency theory as applied to international relations and Canadian dependency theory as applied to uneven development have come to share a concern for the political in the course of their theoretical reformulations.

In the international realm, theorists attempted to answer the basic question of why some countries develop and others do not. The key seemed to be highly interventionist state policies protecting national interests, yet not always providing for security for its citizens, since some regimes were repressive.

In Canadian dependency writing, the focus was mainly historical, focusing on the relations between classes or the effects of particular policies on local-level transformations. These studies were characterized by whether one views the state as an instrument for capital accumulation (restraining the range of policies) or see the state as having a relative autonomy from the needs of capital. The latter predominates in Canadian political economy.

I accepted that the state can act in terms of its own set of initiatives, and does not always act on the behest of the capitalist class. The state will, however, act to preserve and maintain the capitalist social order. To organize my thinking of
the political, I have utilized the formulations of Offe and Ronge and considered a peripheral region in Canada in terms of their ideal types.

I looked at twenty-six years of recent history in a peripheral region in Nova Scotia using census data. On the basis of this I postulate that there was a large effect on this region from the welfare state strategy of the federal state (which of course also included elements of the administrative recommodification strategy). Changes in the occupational structure, family income, new dwelling stock and effects from increases in transfer payments are attributable to the redistributive policies of the federal Liberals in the nineteen seventies. As stated, the welfare state deepens the fiscal crisis, and the reduction of social spending by the Liberals and Conservatives between 1978 and 1986 is evident by some of the indicators in the census. If the strategy of administrative recommodification is achieved by the process of fiscal restraint entailing a reduction of social programs (sharpening the plight of labour) coupled with a belief in the "invisible hand" logic of unfettered markets, I would expect life in the periphery to be difficult indeed due to a lack of opportunity and a reduction of incomes.

If we accept that the strategy of inaction does not occur in late industrial capitalism because it is not a viable strategy, and if we accept (as most researchers have noted) that the
administrative recommodification strategy had no real long-term effects on economic activity in the periphery, we are left with the welfare state strategy as the only influencing intervention. If we borrow the welfare state strategy from Figure 2, some conclusions may be evident when compared to the empirical investigation. Figure 3 illustrates the previously hypothesized effects of the welfare state strategy.

**Figure 3: Testing of the Welfare State Intervention Strategy**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expand Contract</td>
<td>Expand</td>
<td>Contract</td>
</tr>
<tr>
<td>Population</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Sex Ratio*</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Post Second</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Vocational</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Family Income</td>
<td>+ 0</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Persons per Hhld</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To province</td>
<td>+</td>
<td>+</td>
<td>0</td>
</tr>
<tr>
<td>To persons</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Period of Dwell Construction</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prof/Technical</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Clerical</td>
<td>+ 0</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Sales</td>
<td>0 0</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Service</td>
<td>+ 0</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Farming</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Primary</td>
<td>-</td>
<td>-</td>
<td>+</td>
</tr>
<tr>
<td>Manu./Construct</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Transport</td>
<td>+</td>
<td>+</td>
<td>-</td>
</tr>
</tbody>
</table>

*Males/Females
0: no effect
+: upward
-: downward
state strategy on the periphery compared to the empirically based effects based on the previous tables. The empirically based effects are broken down such that 1961-1981 is seen in general as a time of economic expansion with the introduction of redistributive policies. The period 1981-1986 is considered a period of economic contraction with no new policies of redistribution. The expansion/contraction dichotomy is based on the unemployment rates found on table 2.

The only real difference between the hypothesized effects in times of expansion and the empirical results in times of expansion was in the male to female ratio. In 1981 there were one hundred seven males for every one hundred females (calculated from table 4). It was hypothesized that the ratio would reflect national figures.

The period 1981-1986 (contraction) had some interesting differences from the hypothesized effects. The total population had decreased, not increased as I had hypothesized. Secondary and post-secondary schooling decrease during this time, but vocational training sees an increase (12.59% in 1981, 21.47% in 1986). Unfortunately, family income is not available on the 1981 census for these enumeration areas. Transfers to the provinces stay approximately the same (down -.95%). There is an increase in the number of older buildings (i.e., less housing construction). In the occupational listing, professional/technical drops, as does sales,
service, and manufacturing/construction. The category "other primary" has an increase.

It would be a mistake to put too much emphasis on the specifics of this table. A more general viewpoint would suggest that an economic contraction (one that particularly affects Nova Scotia) coupled with a central state strategy of no new redistributive policies (and some reductions) leaves the peripheral region with less economic activity than is necessary. That the attempts to overcome the harshness of the business cycle in capitalism by stimulating regional expansion was seen as a failure in the recent past does not necessarily lead directly to an abandonment of regional development policy as the Conservative agenda would suggest.

I have attempted to examine the local-level economic transformation of a region in Canada's periphery, using information from census data. This should be seen as an exploratory study. Problems with this approach are that the census data is difficult to compare from one census to the next, and that the number of variables that can be compared are few considering the wealth of information that each census contains. The data on occupations may have been clearer if they were coupled with information on the standard industry structure. This would have allowed a count of which occupations are in which industry (service people in hospitals or managerial occupations in the school system, for
example). There is also great difficulty in separating out the workings of the capitalist economic system from the initiatives of the federal and provincial government. Obtaining the amount of income from transfer payments as opposed to income from gainful employment may help in this matter. If information concerning local grants to industry could be effectively catalogued, this may also be of use, although it is beyond the information contained in census data. While claims in the literature suggest that the programs to encourage local industry do not work, the fact that the enumeration areas examined are quite small means that programs that are set up in the vicinity would potentially have large effects on the local level. Statistics on the provincial level would not capture these changes. On the plus side, census data is readily available for enumeration areas across Canada, and it is becoming more standardized. Advances in micro-computer software are making it easier to manipulate the data (in the more recent censuses at least).

The 1991 Census with data on the same enumeration areas may be highly instructive in these investigations. Also, examining other peripheral regions over the same time period using the census may clarify the extent of the impact of state policy. A consideration of the role of the provincial state, especially for Quebec (which sometimes behaves as a nation within a nation) seems increasingly important as federal policies allow for greater provincial autonomy.
Endnotes

Chapter I

1. Perhaps one of the most cited critiques of Frank's development of underdevelopment model was Bill Warren's 1973 empirical examination of "dependent" economies. His exhaustive review, albeit informed from orthodox economics, described independent industrial development where the dependency model predicted it would not occur. The fall-out from this major attack would have some observers describe the resultant theoretical "crisis" as a classic case of paradigm shift as described by Thomas Khun (see especially Aidan Foster-Carter, 1976; Hettne and Blomstrom, 1984: 197; Palma, 1978: 904; Evans and Stevens, 1988: 740; and even more recently Bjorn Hettne, 1991: 30).

2. Booth (1985: 762) sees this tautological aspect of dependency theory as the "crucial" flaw, along with the definition of development, in works within the dependency framework. This is also echoed by Lall, cited in Palma (1978: 902) and Hettne (1991: 32) and by Bowles (1989: 191) and Bienefeld, in Seers (1981: 79) and Chinchilla and Dietz (1982: 137).

3. The emergence of dependency theory as formulated by A. Gunder Frank (1966) was seen by some as a reaction to the prevailing model of modernization by Rostow. It has been noted that Frank's model

112
explains as little as the modernization paradigm, and that "the
development of underdevelopment" is merely a "mirror image", a
standing of the modernization model on its head, and that the same
errors occur in the dependency model as in the model it purports to
transcend (see especially Evans and Stephens, 1988: 745; Mouzelis,
1988: 26; Palma, 1978: 900; Bienefeld, 1988: 79; Edelstein, 1982:
104).

4. Other adjectives and descriptions concerning dependency theory's
shortcomings include an observation that it is unnecessarily
spatial (Friedman and Wayne, 1977: 410; Petras, 1982: 151), that it
is schematic (Mouzelis, 1988: 26), descriptive, non-analytical and
abstract (Petras, 1982: 151, 152) and has a tendency to generate
statements that are true but trivial (Mouzelis, 1988: 26).

indigenous development may only reflect the bias of Western
Europe's own industrialization experience thereby rendering them
debatable as appropriate. Warren (1973: 10) himself notes how using
manufacturing growth rates can be misleading because the percent of
active population in manufacturing compared to the percent of
manufacturing contributing to G.D.P. may be illustrating, in some
countries, an extremely weak agricultural sector, so therefore
occupation would have been a better measure for low productivity
labour. An illustration from Warren's Table IV: Mexico has 16.7% of
the active population in manufacturing yet this contributes to
30.0% of G.D.P., suggesting a weak sectoral performance elsewhere, possibly agriculture. Andre Gunder Frank (1977) takes issue with examining a country's economic performance utilizing "orthodox and self-invented reactionary criteria, thereby setting back historically materialist analysis".

6. Dependency theory itself has been through many reformulations since its debut in such a popular, though sometimes called crude, form with A. G. Frank. Those who stand out as influential are Dos Santos, Cardoso, Sunkel and Wallerstein. Dos Santos and Cardoso give importance not only to external constraints to development, but internal ones as well. Dos Santos (1977 in Hettne, 1991) makes a distinction between conditioning and determining factors in development, i.e., "that the accumulation process of dependent countries is conditioned by the position they occupy in the international economy but determined by their own laws of internal development (Hettne, 1991:24). Cardoso notes how dependency should not be seen only as a result of "external variables", but should consider analysis "based on relations between the different social classes within the dependent nations themselves" (Cardoso and Faletto, 1979: 223). It should be noted that Cardoso's notion of class was not a Marxist one, for he did not discuss class in terms of a dichotomy of capital/labour (Hettne, 1991: 27). Sunkel points to the multinational corporation as the structure that influences development/underdevelopment, and that while transnationals became more integrated, internal economies on the periphery were
disintegrating. The need here, again, was for greater national autonomy (Hettne, 1991: 25). Wallerstein does not see the world as dichotomized into metropolis/satellite relations with one kind of capitalism for the dominant centre and another type of capitalism in the periphery. He visualizes the world as a completely capitalist "social system" (Wallerstein, 1975: 16,17). In his view, core states can regress to become the periphery and peripheral states can develop into core states, but all states cannot develop at the same time, i.e., the capitalist world system operates on the basis of having core and peripheral regions (Wallerstein, 1975: 23). Petras (1982) notes how this view is shared by Arghiri Emmanuel (1972) and Samir Amin (1974) in that the means of appropriation of surplus capital is through unequal exchange, a process whereby labour in peripheral countries is purchased for lower cost; a situation which can only occur if one accepts as given that capital is mobile transnationally and labour is not. These formulations notwithstanding, it is still conceded that dependency theory is ahistorical and abstracted from a class analysis (Petras, 1982: 150, 151). Blomstrom and Hettne (1984: 184) note how world systems analysis relegates the mode of production to a minor role as well, but also call it a "theoretical improvement" in that it avoids the pitfalls of the strict core/periphery dichotomy, and considers not two kinds of capitalism but one world capitalism (186, 187). Others have taken Cardoso's lead and make the case that dependency theory is not truly a formal theory but a
"methodology" for the analysis of concrete situations of dependency (see especially Palma, 1978; Edelstein, 1982; Gidengil, 1989).


Chapter II

1. This comparative work would have to be historically grounded, according to Mouzelis (1988: 30). It would also be necessary to explore the various developmental trajectories that are possible to avoid the pitfalls of various generalizations or the denial of generalizability in theories of the third world.

2. This consideration of the state and economic development in peripheral countries has been attacked for its reliance on classical Marxism (and its economic relations) on the one hand and the "relative autonomy" of the state which sometimes leads to an ultra-voluntaristic stance on the other (Mouzelis, 1988: 36). Also, if one adopts a position that stresses the accumulation / legitimization role of the state as primary, there would have to be an explanation of how the state acts to support indigenous capitals in some cases and transnational capitals through appropriation in other cases. These considerations seem to refer back to the weakness discussed earlier in that the dichotomies of peripheral versus metropolitan capitalism was never really defined as a concept; nor should it be in a classically Marxist framework which
sees only one kind of capitalism. This still does not provide specific tools for the examination of the state.

3. Interestingly, the examination of the newly industrialized countries provides evidence that runs counter to James O'Connor's influential "The Fiscal Crisis of the State" (1973) in that Korea and Taiwan have not increasingly socialized their costs of production, leaving to individual families the burden of reproducing their labour. This argues against the major theme of his work.

4. Of course, an historical analysis of specific trajectories is of great importance in these case studies (see Petras and Hui, 1991; Amsden, 1979; Mouzelis, 1989).

Chapter III

1. It has been noted that dependency theory as such has ceased to be a "tradition" or "school" in discussions of regional development in the Canadian case (Sager, 1987:119; Bickerton in Gidengil, 1989). The perspective persists however in various forms that attempt to deal with specific instances of dependency (see especially Gidengil, 1991, House, 1981, 1986; Matthews, 1983). Others note how the dependency perspective has given insight into historical instances of dependency and underdevelopment in Canada (Sager, 1987; McFarland, 1982).
2. I do not really see that this can be an issue that directly weakens economic sovereignty because trade with a foreign partner is under Ottawa's control.

3. Levitt also credits M. Aitken (1959) as one of a few Canadian economists that recognize the peripheral status of the country in spite of political independence (p. 48). As well as Innis, Levitt utilizes K. Galbraith to underline the process of accumulation of power and influence in the multinational corporation of the metropole (p. 71). In this way, one could argue Levitt provides a particularly "Canadian" version of dependency theory.

4. Stated briefly, with Britain the colonial power, Canada's policies included those that would guarantee British loans and banks as well as indigenous financial institutions. The financial class would exert its influence such that policies would favour transportation (for staple products) infrastructure and tariffs so as to promote exports overseas (p. 82). With U.S. domination and continentalist market forces, the Canadian bourgeoisie lost importance and hence influence in state policy with the state becoming a "direct creature" of U.S. imperialists (Hutcheson, 1973), echoing Levitt's claim of a "stultified" indigenous entrepreneurial class, and that by the middle of the twentieth century "Canada belongs to the United States" (Levitt, 1970: 58).
5. Eric Sager (1987) takes Clement to task perhaps a little unfairly when he states that Clement accepted dependency theory "rather uncritically" (Sager, p. 120). Actually, the point was made that dependency theory emphasizes the geographical distribution of surplus value and hence does not have a class perspective (p. 91) (the previously discussed mode of circulation versus the mode of production approach). I would interpret the article as a means to establish a starting point, i.e., to locate Canada in the international context of multinational corporations and then examine the corporate bourgeoisie within a wider class analysis.

6. These rough categorizations of the development literature are within the overarching "dependency" perspective. The approach that emphasizes class is one that attempts to make the analysis more Marxist by focusing on competing modes of production and the concomitant proletarianization of people in underdeveloped regions. The emphasis on relations between regions is more closely allied to dependency theory as formulated by Cardoso, in which specific cases of dependency and underdevelopment are examined with the non-realization of economic development a result of association with a core region or metropole. The focus on the role of the state grows out of the staples tradition of Innis, with state policy and reliance on unprocessed goods (and in turn the reliance on world markets) as the reason why underdeveloped regions exist.
7. Barrett (1980) notes that the Maritimes experienced industrial growth at a time when dependency theory predicts it should be underdeveloping. The 1880's saw maritime industrial growth with very strong contacts to central Canada. Clow (1984) points out that Archibald was the first (and last) to apply Frank's original model directly on the Maritimes, and reiterates that the empirical reality of Maritime industrialization showed the analysis to be incorrect (p. 119).

8. In my reading of this article, there seems to be an interesting blend of the inevitability of regional uneven development and the possibility of change through political action in an almost pluralistic sense (see esp. p. 203).

9. What Gidengil (1989) seems to be attempting is to maintain dependency theory as essentially an analysis of modes of circulation with no attention to political or class aspects of regional development.

10. The falling rate of profit is seen as based on increasing competition, greater capital investments, and a reduced labour force - the source of capitalist profit. This can be countered by increasing the rate of exploitation by lengthening the work day, lowering wages, increasing productivity, finding new sources of cheap labour, and locating new markets for products (Veltmeyer, 1978: 58).
11. These precapitalist modes are usually subsistence behaviors i.e., agriculture, fishing and hunting. They can also be domestic production of petty commodities. The key is that they are structurally linked to the commodity form, i.e., the capitalist mode of production, yet provide services of an essential nature that originate outside of capitalist relations of exchange.


"more capitalists or larger capitalists at this pole, more wage-workers at that... The mass of social wealth... thrusts itself into old branches of production, whose market suddenly expands, or into newly formed branches... [an industrial cycle that depends] upon the constant transformation of a part of the labouring population into unemployed or half-employed hands... The greater the social wealth, the functioning capital... the greater is the industrial reserve army... the mass of a consolidated surplus-population [subject to]... the dead weight of pauperism".

13. This rather serious attack on Veltmeyer's reading and use of Marx has gone unanswered.

14. Sacouman defines semiproletarianization as "a combination of wage labour and petty production based on an incomplete separation of the direct producers from the means of production" (1981: 143).

15. Petty commercial farming is semiproletarianized because the farmer, while still holding legal title to the farm and employing
family labour, is not able to determine his/her own income or control the mode of production because of direct control by capitalist dominance, in this case, for purposes of illustration, the McCain Corporation (1980: 237). The process is the same in the fisheries, where the fishers can own their boats yet monopolistic control over fish prices allow for low payment due to generalized subsistence farming and/or forcing the spouse into wage labour, usually fish processing (1980: 238). In forestry, petty woodlot owners would be paid low for their product, given the "occupational pluralism" in the domestic mode of production. Workers would also be drawn from subsistence farms to seasonal labour, returning there later when not required allowing capital to assume no cost of the reproduction of this surplus labour (1980: 239).

16. McFarland (1982) notes that placing the independent commodity producer in a central place in the analysis, and making a distinction between those that are self-sufficient and those that sell to the capitalist sector, is an "eye-opener" for more traditional theorists who believe Marxism can only be applied to worker-capitalist relations (p.139).

17. Acheson's work quickly followed Archibald's Frankian analysis of Maritime underdevelopment and challenged the concept of under-development with a more empirically based notion of "deindustrialization".

122
18. Bickerton (1990) disagrees with this assessment of the staples thesis. He feels that what is emphasized is a geographic and technological determinism, the state receiving little attention except as a "provider of infrastructure for resource exploitation (p. 13).

19. Dow (1987) explores how financial institutions (banks) play an active role in promoting uneven development in capitalist countries. She notes how Canada established branch banking nationwide as opposed to unit banking adopted in the U.S.A. This branch banking arrangement was initiated under British control in the early nineteenth century (p. 87). A case is made that central interests prefer easy liquidity for assets in peripheral regions, thereby reducing available credit and artificially devaluing periphery assets (p. 85).

20. Bickerton uses the ideas of Offe and Ronge as a way of organizing the logic of state policy as applied to the periphery. He does not extend their insights toward the empirical question of the impact of general state policy on the economic welfare of people living in the periphery; it is to this end I believe their work can be applied.

21. Offe and Ronge view the state thusly:

"the state does not patronize certain interests, rather what the state protects and sanctions is a set of rules and social relationships which are presupposed by the class rule of the capitalist class. The state does not
defend the interest of one class, but the common interest of all members of a capitalist class society" (p. 250).


Chapter IV

1. I will examine only the intervention strategies employed by the federal state because the provincial state of Nova Scotia is so dependent on federal transfer payments that while education, health care, welfare, and grants for industry are provincially administered they are very tightly bound to federal purse strings.

2. Checking the boundaries for continuity of these enumeration areas proved more difficult than expected. The 1986 and 1981 censuses had the same enumeration number. The Place Name Reference List (Cat. 94-901) provided town names for each enumeration area. These place names were compared to aerial photographs of the region used by enumerators for the 1971 census. Boundary lines and place names were then compared to the 1981 census, also using the 1971 "description of limits" guide for individual enumerators which described local landmarks (Cat. 283-5725). The boundary limits for the 1961 census had to be obtained from the "historical federal enumeration area binder" located at Statistics Canada, geographical department in Ottawa, Ontario. A map was obtained with the boundary limits shown for 1961, which was then compared to 1971. The
boundaries were surprisingly consistent over time, with only the collapsing of two enumeration areas required from 1961 to 1971 due to a decrease in population (Enumeration area 38).

It should be noted that the 1966 and 1976 censuses were not used because they were so different from the other censuses they could not be compared (See Cat. 99-104E).

Below are the equivalent enumeration area numbers for the region (Inverness, Subdivision B) for the censuses utilized.

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3. The measure for number of children was dropped because the census was very specific in 1961 and 1971, yet 1986 only had categories of 1, 2, 3 or more children, which was probably a response to the decline of the birth rate by 1986. Family income was the only measure that was common, and while the 1981 census did not include the measure, it was left in the analysis across 1961, 1971, 1986 because it is important as an indicator of economic well-being. Measures of migration had to be eliminated because they only dealt with provincial movers, i.e., only those movers that entered a province. Age was not included in the analysis because of the difficulty of comparison across censuses due to the tendency of the later censuses to group frequencies in rather broad categories. Given the size of the population under study, any large differences
in age structures between the EA's and the province and nation may be attributable to the small size of the sample.

4. This table could not be constructed for other census years since the presentation of income was not consistent, rendering comparisons across income categories impossible.

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Wood, P. J.
Appendix A


Total population
Age
Sex
Education
Occupation
Measures of Income
Number of Households
Measures of Migration
Number of Children
Persons per Household
Period of Dwelling Construction
Appendix B


Total population
Sex
Education
Occupation
Family Income
Persons per Household
Period of Dwelling Construction
Number of Households