The reasons behind Maritime industrial decline continue to be hotly debated. Capitalism and capitalists are blamed by some. Others favour cultural interpretations. Neo-classical economists see the process as a rational outcome of the decisions of profit-seeking capitalists. Regionalists blame discriminatory policies of the federal government. In a recent article in this journal, geographer Larry McCann, using the example of the rise and decline of the Nova Scotia Steel and Coal Company [Scotia], focuses on the fragmentation of the region. Fragmentation, McCann argues, refers to several conditions: a variegated coastline; large uninhabited forests; scattered areas of usable agricultural lands; cultural groups limited to original hearth areas; political, ethnic and religious diversity; dispersed and scattered resources that shift in relative value and quality; and income differentiation. It is McCann’s thesis that Scotia was a tenuous affair. Its promoters struggled valiantly to integrate a series of diverse operations, succeeded for some time (fragmented integration), but in the end succumbed to three forces of fragmentation: dispersed and limited regional markets, increased costs of producing poor quality resources, and the minimal presence of international economies. McCann is careful to argue that, “[o]f course, no one explanation can be offered to account solely for the deindustrialization and urban population losses of this hinterland region.” But he nevertheless feels that “the forces of fragmentation associated with the Maritime space economy shaped ‘Scotia’s’ unwillingness to emphasize internal growth over external markets, and also contributed to the company’s eventual demise.”

There are at least two major problems with McCann’s thesis. The first relates to the elevation of the concept of Maritime fragmentation to something inherent and timeless to the region. The second refers to the role of location and resources in industrial decline, elements which do have obvious credence, but which cannot be held up as general and absolute factors of industrial decline.

Let me start with the concept of fragmentation. McCann quotes Ian McKay’s proposition that the Maritimes’ “links to the world capitalist economy in the period of merchant’s capital focused development in export enclaves [and] undermined the socio-economic potential for integrated and balanced growth ..., leaving a fragmented and dependent region vulnerable to rapidly expanding central Canadian capital.” But he never follows up on this very important thesis by exploring the legacy of merchant capital in the fate of Scotia in the industrial era. He conveniently leaves McKay’s thesis stranded in time, moving on to his own question: “But what of community isolation and independence in the industrial era?” This is, I believe, a serious error. Fragmentation in the mercantile and industrial eras are not separate phenomena. Nor is Maritime industrial capital fragmented as a result of geography. McKay suggests that the Maritime industrial geography was fragmented because of merchant capital. Scotia suffered from the legacy of merchant capital, which included fragmented industrial activities and limited local markets. There was nothing in geography that pre-determined the Maritimes to this fate. It was instead a history of dependent development shaped by colonialism.

This is what I tried to build on in an earlier article on Scotia’s rise and decline, where I argued that the company’s ties to external financial and industrial inputs and markets (its disarticulation), had its roots in the mercantile era. Yet, so I maintained, that did not determine Scotia’s fate, and I outlined the role of the local management, its work force and the provincial and federal states in the decline of company, arguing that the investment strategies under ‘local control’ perpetuated a dependent development path.

The company’s development was thus contingent and not pre-determined by such formal and static concepts as disarticulation and fragmentation (wherever they might come from). This has also been argued for other industries. Sager and Panting’s seminal *Maritime Capital* suggests that the failure of the Maritime shipbuilding industry to make the transition from wood and wind to iron and steam was in large part due to the legacy of merchant capital, and the lack of coordination among and between Maritime shipbuilders and the federal and provincial states. Maritime shipbuilders and shippers were, in fact, primarily shippers, and were more inclined to support entrepôt trade, based on railways and foreign steamers, rather than to support an indigenous shipbuilding industry.

The Maritime forest industry suffers from a similar legacy. Forest fragmentation, for example, rather than being a natural phenomenon, is the result of the exploitation and degradation of the forest by the colonial and post-colonial lumber trade, and provincial governments’ more recent abdication of forest management to transnational pulp and paper companies.

The second problem with McCann’s argument refers to the causality attributed to resource base and location in industrial decline. This suggestion does not stand up to historical scrutiny. Regions are made and unmade by people’s actions, not by their geographies. True, resource bases, locations, and geographies are important conditioning and constraining factors but to isolate them for separate analysis, divorced from social considerations, is a serious error. Indeed, examples abound of regions and states which have succeeded industrially in spite of (some would go as far as arguing because of) poor resource bases and peripheral locations. The province of Småland in Sweden, the home of Moberg’s emigrants, the land of stones and rocks, legend for its poor resource base, became an
important industrial region in the twentieth century, based on the manufacture of plastics, glass, and secondary steel products. Peripheral Finland, so one author argues, has prospered as a function of Toynbee’s claim that “ease is inimical to civilization.” At the national level, peripheral and resource-poor Japan is today one of the world’s leading industrial powers.

A similar point is necessary to understand the industrial decline of the Maritimes. As Sager and Panting state, at “a certain point the emphasis on the allegedly weak resource or locational disadvantages of the Maritime provinces becomes reductionist and question-begging.” Social considerations need to be considered as a complement. Capitalists readily sold out in the Maritimes. Why was this so? Other regional bourgeoisies were more likely to invest and remain loyal to place, at least at this particular time. The answer, I think, lies in the legacy of merchant capital, dependent development and associated political and social institutions, and the constraints they imposed on the expansion of Scotia. This is not a voluntarist interpretation, suggesting that Scotia’s leaders could have overcome all their problems. They might not have, given local and external constraints. But, as Bluestone and Harriss suggest, the specific path of industrial decline “does not just happen.” Besides the historical constraints of merchant capital, conscious decisions were made by Scotia’s managers to wind down and restructure the operations. These things did not happen automatically, nor were they simply a response to inevitable external forces. The deindustrialization process was a contested terrain with winners and losers. Scotia’s industrialists did well for themselves, while their workers and Nova Scotia communities bore the brunt of the company’s demise.

The McCann thesis has the most unfortunate implications for the present Maritimes. It suggests that the region is destined to perpetual industrial depression, except for those rare and ephemeral moments when the region’s resources are in demand. This is somehow due to the concept of fragmentation. What sort of implication does this have for transfer, equalization, and UI payments in the region? It might call for more such regional aid, given the region’s inherent geographical problems. More likely, perhaps, in this era of neoliberalism, budget deficits and cost-cutting, is that the concept of fragmentation can be used to promote further deprivation of the Maritime region (after all, the funds could or should be employed more efficiently elsewhere). This is unfortunate since Maritime economic underdevelopment, given the region’s colonial heritage and present integration in national, continental and international economies, needs to be understood more in the context of global capitalist development, and local people’s compliance and fight against this process. Pollard’s concept of a differential of contemporaneousness might be useful as a tool of interpretation here. He suggests that capitalist technologies have different impacts on different regions. The railway, for example, was an aid to industrialization in some regions. In other regions, while serving as a symbol of political virility, it served to subordinate regions to dependent export enclaves of staples.

My call, then, is for a more people-based and dynamic interpretation of Maritime industrial decline. References to resources “scattered randomly” throughout the region and a landscape “[s]o dissected” as something unique to the Maritimes, and an important aspect of industrial decline, just won’t do. Fragmentation is not a useful concept unto itself. It is not a mere number in a mathematical equation that can be considered in isolation. It needs to be considered as part of the whole equation. It is forever changing and contingent and part of the social internal and external dynamic of the Maritime region.

Notes


6. Though this point cannot, of course, be carried too far. The Antarctic remains void of most human economic activity for obvious reasons.


10. This is, of course, less true in today’s global economy.


12. This is also the case of another recent statement on Maritime economic history, Kris Inwood’s Farm, Factory and Fortune (Fredericton, 1993). For a critical review, see L. Anders Sandberg, “Underdevelopment: A Reasonable Proposition?,” New Maritimes, XII, 1 (September/October 1993), 26-30.


14. For a very important recent contribution to this endeavour, emphasizing the role of the rural in Maritime industrialization, see Daniel Sanson, editor, A Contested Countryside: Rural Workers and Modern Society in Atlantic Canada, 1800-1950 (Fredericton, 1994).