

*Maritime Fragmentation: Inherent or People-Made?*

*L. Anders Sandberg*

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], focusses on the fragmentation of the region.<sup>1</sup> 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 external 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."<sup>2</sup>

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."<sup>3</sup> 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.<sup>4</sup> 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.<sup>5</sup>

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.<sup>6</sup> 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