As part of recent attempts to rethink Canadian political economy, a number of scholars writing from broadly Marxian perspectives have turned their attention towards the Maritimes. These "Maritime Marxists" have a number of goals: to sensitize the radical intellectual community to the high level of abstraction upon which the study of "Canadian" political economy is based; to challenge certain orthodox interpretations of the development of the Maritimes; and to provide a Marxian interpretation of capitalist development in the Maritimes as a precondition for identifying and ameliorating the real problems facing the region.

While the debate has posed new questions, clarified some of the issues involved, and raised the level of analytical sophistication in the area, it has also exposed some serious theoretical and historical limitations which must be confronted if further progress toward any of the above goals is to be made. In the first place, if the value of theoretical models lies in their contribution to historical understanding, much of the existing work is inadequate as theory, since it blocks avenues of historical research — on regional variations in class structure, class formation, production and exploitation — which must be explored if a Marxian interpretation of capitalist development in the Maritimes is to be developed. Second, and in consequence, this not only makes it impossible to rescue the study of the Maritimes from prevailing orthodoxies; rather, it increases reliance on them.
This paper seeks to address these problems by examining the current debate and positing a different framework for analysis. In the first section, two contending Marxist approaches to regional capitalist development, one determinist, the other voluntarist, are identified; their implications for the study of the Maritimes are assessed and criticized from the perspective of historical materialism. In the second section, an historical materialist framework for understanding regional capitalist development which avoids the limitations of the above, providing a more useful blend of historical contingency and theoretical social determination, is set forth. Finally, an attempt is made to use this framework to investigate historical regional variations in productive relations and patterns of exploitation during the crucial (and most successful) formative period of Maritime industrialization.

Determinism and Voluntarism in the Political Economy of the Maritimes Recent work by Marxists on the political economy of the Maritime provinces falls into two broad camps. The first attempts to interpret the pattern of capitalist development in the Maritime provinces using Marxian theory and the descriptive conceptual categories of underdevelopment and dependency theory. This approach originates in the theoretical work of Henry Veltmeyer, but a number of its conclusions, as well as its overall flavour, are quite widely shared. However, while attempts to develop the regional dimension of Marxist theory are useful and necessary, this one is inadequate, and results in a deterministic, axiomatic conception of uneven capitalist development, in which capital accumulation in one region necessarily produces 'underdevelopment' in others. Even at a superficial level, this flies in the face of the evidence: large-scale capital accumulation does take place in formerly 'peripheral' areas in various countries (e.g. the 'Sunbelt' in the southern United States).

For Veltmeyer, underdevelopment in Atlantic Canada may best be explained by linking the spatial concepts of dependency theory with Marx’s class analysis of the accumulation process. The key to this explanation lies in what Marx identified as the falling rate of profit, and the attempts made by capitalists to counteract this decline. In the case of the Maritimes, this contradictory dynamic produces the “expanded reproduction of capital at one pole (the centre) [which] requires and creates on the other (the periphery) conditions for a mass of ‘free’ labour held in reserve, but available for purchase.”
Thus, for Veltmeyer, Atlantic Canada since the late nineteenth century can be seen as a labour reserve whose function is to export labour-power to central Canada during upturns in the business cycle, thus limiting wage increases and the decline in rates of profit. Since central Canadian capital is able to exploit Maritime labour without having to bear the cost of its reproduction, a capital drainage from periphery to centre occurs. If industrial capital does find its way to the periphery it also does so for counter-cyclical purposes, often under foreign control and concentrated in the extractive sector; thus, it distorts the local economy.

As a result, the region’s economy continues to be dominated by a complex of activities in undercapitalized primary production: agriculture, forestry and fishing. These activities serve to “yoke” producers to the region in subsistence production or in production for a market controlled by large, vertically-integrated national and multinational corporations. Engaged in labour-intensive production for managed rather than competitive markets, and bearing the costs of the reproduction of labour-power which will be exploited elsewhere, these Maritime producers can be considered, according to Veltmeyer, super-exploited wage-labourers.

This functional view of the relationship between regions in Canada presents a number of theoretical and empirical problems. First, there is no discussion of the relative importance of this regional “fix” for a falling rate of profit within the context of a variety of other possible countertendencies. Thus the degree and character of regional interdependence remain unclear. Second, neither the mechanisms which “yoke” workers to the periphery nor the manner in which these bonds are periodically relaxed when circumstances demand it are clearly specified. Third, Veltmeyer fails to specify adequately a theory of exploitation which can be both Marxist and based on exchange relations. Fourth, it remains unclear how capitalists penetrate the surface level of market prices and their own position in the competitive process in order to recognize, and combat a social contradiction at the level of values. Finally, Veltmeyer nowhere justifies his view that property-owners in primary production, whether they produce for subsistence or for the market, can simultaneously be wage-labourers.

The source of these difficulties lies in the way in which Veltmeyer tries to reconcile class and regional analysis. Quoting Marx from Chapter 25 of Volume I of Capital, he suggests that the accumulation of capital, the tendency of the rate of profit to fall
and the countertendencies initiated by capitalists result in a regional polarization of capital and labour:

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 reserve army... the mass of the consolidated surplus-population [subject to]... the dead weight of pauperism.⁶

Yet, this quotation undermines the validity of Veltmeyer's conclusions. In the first place, the section of Chapter 25 from which this passage is taken deals at a highly abstract level with the social and economic consequences of capital accumulation under varying technological conditions. In order to isolate the most essential dimensions of the accumulation process in general from a host of “disturbing influences,” Marx makes a number of assumptions: two classes only; accumulation necessitated by competition; an unlimited supply of labour-power; no realization problems; and no circulation costs. Thus restricted, Marx's experimental model⁷ has little direct applicability to the real world.

Second, Veltmeyer's quotation is in fact a composite, drawn from two different versions of Marx's basic model. The first section, “more capitalists or larger capitalists at this pole, more wage-workers at that,” is drawn from a version (I, 25, i) in which Marx holds the technical and value compositions of capital constant in order to examine the results of accumulation under technological stability. With unlimited labour-power, and assuming a constant rate of exploitation, “accumulation of capital is therefore the multiplication of the proletariat,” a situation ironically described as “most favourable to the workers,” whose dependence “only becomes more extensive.”⁸

The rest of the quotation is drawn from a second version (I, 25, ii), in which the assumption of technological stability is dropped. Technical developments can now be used to resist competition and raise rates of exploitation and profit. Two important sets of consequences follow. First, capital becomes more concentrated (i.e. larger masses of the means of production are assembled), and centralized (the proportion of total social wealth in the hands of the owners of the means of production increases). Second,
technological development allows capital to create within the accumulation process its own supply of surplus labour-power (I, 25, iii), which
during the periods of stagnation and average prosperity, weighs down the active army of workers; during periods of over-production and feverish activity, it puts a curb on their pretensions. The relative surplus population is therefore the background against which the law of demand and supply of labour does its work. It confines the field of action of this law to the limits absolutely convenient to capital's drive to exploit and dominate the workers.9

What are the consequences of this unwarranted conflation? First, it confuses different models, different assumptions and different results. Some of the results of the first version — more capital accumulation, more workers (but not high levels of employment, stable rates of exploitation, "easy and liberal"10 working and living conditions, and so on) — are combined with those of the second — fewer workers relative to the expanding mass of capital, increasing rates of exploitation, downward pressure on wage rates, and impoverishment. Second, having run these two excerpts together, Veltmeyer then goes on to read the word "pole" in the first as though it had a spatial meaning (as in, for example, "growth-pole"). The image which emerges from all of this is one in which the relationship between regions and capital becomes definitional rather than historical. In this view, the process of capital accumulation results automatically in the gathering together of capital in one region and a reserve army of unemployed or partly-employed wage-labourers in another, without reference to particular historical conditions. This is unwarranted. There is no theoretical justification anywhere in Chapter 25 for reading any spatial dimension into Marx's model of accumulation. Rather, it seems more likely that it is one of the disturbing influences he wished to assume away for the purposes of his analysis. It would seem to be more appropriate, given these purposes and also Marx's use of the word "pole" a few pages later, to translate the phrase "at one pole" simply as "on the one hand," or "on the side of labour".11

This conceptualization of the relationship between capital and region, in which the accumulation process is seen as having a necessary regional dimension and therefore the capacity to explain, by itself, the fate of the Maritimes, remains fashionable in the study of Maritime political economy, as suggested above. But its costs are high. The pressing need for concrete historical research
into the determinants of Maritime capitalist development is obscured by the supposed identity of the accumulation and regional development processes. Veltmeyer’s conceptualization results in a teleological and functionalist image of the development of the region within Canadian capitalism, in which the destruction of the nascent Maritime industries of the late nineteenth century, and the region’s reconstitution as a labour reserve for central Canadian capital, were automatic and inevitable. In so doing, he accepts uncritically the findings of Acheson and others who argue, from essentially neo-classical assumptions, that these late nineteenth century Maritime industries were just as productive as their interregional competition, while at the same time asserting the paradoxical fact of their demolition as a result of concentration and centralization. Despite the supposedly wide gulf between the two perspectives, Veltmeyer is no more able to ask important historical materialist questions about Maritime capitalist development than these historians are.

Recognizing some of the limits of this interpretation, Michael Clow has argued that an explanation of the fate of the region must include, over and above the accumulation process itself, consideration of the consequences of political subordination of the region and regional capitals within Confederation. Unlike the views that Maritime decline was natural or inevitable, this political explanation is, for Clow, more compatible with the “gut instincts of most Maritimers.”

Reacting against the determinism of existing models, as well as against the official wisdom of “orthodox” economic history, Clow argues that capitalism is a “project”:

an ongoing, multi-generational social endeavour of a particular class. Capitalist development can be thought of as the product of that class’s efforts to proceed with its social ‘project’ (private capital accumulation) in the face of the resistance and efforts of other classes (both pre-capitalist and those created in the process of capitalist development) to proceed with their agendas for social development.

According to Clow, this is a political process, suggesting that the role of state policy and partisan efforts to influence it are practical factors shaping the particular course of capitalist development. And these in turn necessitate a discussion of the state itself — the basic political framework within which these struggles are played out — which imposes practical limits on the realm of the possible, and which tends “at least to intensify and calcify the regional effects of capital concentration and centralization.”
Applied to the case of Maritime "underdevelopment," this suggests the importance of two events. The first is Confederation itself, through which "the Maritime region was absorbed into the new and alien continental economy of the British North American dominion, and into the political framework of a country dominated by [Upper and Lower] Canada and the particular problems and priorities of the Canadian bourgeoisie."17 The second, a logical political consequence of the first, is the adoption of the National Policy. According to Clow, the tariff schedules had a drastic effect on the old sea-based Maritime economy, forcing it into a new, alien accumulation strategy based on secondary manufacturing for the central Canadian market.

Politically and economically trapped by these two events, with dwindling political power at the federal level as Canada and its population expanded and moved westward, and placed in a relationship of dependence on central Canadian bankers, financiers, consumers and politicians, Maritime capitalists saw the writing on the wall and responded appropriately. Recognizing that productive efficiency could never overcome political, financial and economic dependence, they "sold out" to find their fortunes elsewhere, some in Montreal, some abroad.18 Thus assisted by some of its junior partners in the Maritimes, "Canadian capital and the Canadian state arranged that Maritime firms would be the ones to pay the price that the emergence of monopoly capital imposed on competitive capitalism."19

In broad terms, then, Clow's contribution to the study of Maritime capitalist development is to alert us to one of the "disturbing influences" assumed away by Marx: historically — specific patterns of conflict within specific sets of political rules. What is the significance of this contribution?

First, it is clear that Clow's critique is only a partial, additive one. It finds no theoretical fault with the view that concentration and centralization of capital necessarily have a regional dimension. Nor does it question the implication that they can stand as an explanation of the patterns of uneven regional development which are characteristic of the capitalist mode of production.20 What it does suggest is that these "regional" processes do not operate within a vacuum but rather within a framework of class conflict and politics in actual capitalist societies. To understand the fate of the Maritimes within Canada it is necessary to add to the "economic" analysis of capitalism a recognition of the political impact of Confederation, which narrowed and qualitatively
altered the options which would have been available to the region had it remained outside the new political arrangement in one form or another. Only then is it possible to explain why concentration and centralization of capital within Canada resulted in Maritime decline. Outside Confederation, Maritime capital may have been able to respond to the economic difficulties of the period more successfully.21

The latter is an interesting hypothesis. But it raises broader questions and we will have more to say about it later. At this point however, it should be stressed that, while Clow’s insight into the abstracted, ahistorical nature of existing Marxian explanations of Maritime capitalist development is compelling, simply adding a “political” dimension to an already flawed formula is no substitute for a broader theoretical critique and a more historically-sensitive, integrated conceptualization.

Second, there is a wide conceptual disjuncture between Clow’s theoretical discussion of relations of production and class struggle on the one hand and his historical discussion of the politics of Maritime underdevelopment on the other. In the latter, classes and class analysis make only fleeting appearances, their central roles taken by a subjectivist, voluntaristic conception of politics in which “interests” debate the merits of Confederation and protection, misleading and betraying each other in the process.22 In particular, the working class is almost entirely absent from Clow’s discussion of the politics of Confederation and regional decline, despite its crucial role in his model of capitalist development. Class projects in the Maritimes were apparently reserved for the propertied.

Third, and most important for our purposes, is the question of the causal adequacy of Clow’s political interpretation as an explanation of Maritime capitalist development. In order to isolate the political as decisive, Clow identifies, and rejects, at least two alternative sets of explanatory variables. The first are categorized under the headings nature, resources, geography and technology.23 For Clow these are components of “the most worn-out of orthodox explanations” (“liberal orthodoxy”) which sees the decline of the Maritimes as inevitable.

What Clow fails to see is that it is the “inevitability” thesis which is the difficulty here, not the basic Marxian proposition that consideration of the forces of production — the availability of labour-power, resources, skills, technology and their organization in space — is the starting point of historical materialism.24 It may
be that in some concrete historical settings, these might not have an impact on patterns of regional growth and decline, but there is good reason to suggest that some of them — for instance the availability of skilled labour and the spatial problem — were important in the Maritimes. In any event their relative insignificance must be demonstrated by analysis, not by assertion. Moreover, Clow’s handling of transportation costs — treated solely as a “policy” problem, not as a problem posed by space or geography — is untenable.

The second set of variables which Clow must eliminate are those which directly affect the production of surplus-value, and which raise the possibility that the nascent capitals of the Maritime region failed because of their inability to compete in terms of the profitability of social labour. Some aspects of the above forces of production play a role here, such as physical limits on the supply of labour, the pool of available skills, and so on. But this possibility also raises questions about the social relations of production in the Maritimes as compared with those in central Canada, regional variations in rates of exploitation and profit to which they may give rise, and the complex of historical, social, economic, and cultural factors which influenced them.

Such a possibility is rejected, explicitly or implicitly, at a number of points in Clow’s discussion, even while he simultaneously acknowledges the limited state of knowledge about the pattern of class relations in the region. For Clow, capital’s “project” (capital accumulation) within the region was successful, but was undermined by a combination of timid capitalists, high transportation costs, inadequate regional markets, overproduction stimulated by the National Policy, tariffs, and an increasingly centralized banking system to which Maritime firms had little access. For Clow, all of these factors can be seen as practical results of the region’s incorporation into Canada.

The sole source of historical support for Clow’s position on the viability of industrial production in the Maritimes is the work of T.W. Acheson who, according to Clow, “demonstrated that in fact a rapid and successful industrialization of the Maritimes had occurred” during the decade after the National Policy.

As I have argued elsewhere, however, Acheson’s work itself is flawed on both theoretical and historical grounds. Its historical foundation is weak and based on a selective reading of a single contemporary source. Its implicit theoretical basis seems to be the neo-classical argument that capital is the sole source of
productivity. This makes it virtually impossible to ask important historical questions about regional variations in social structure, patterns of class formation, productive relations and rates of exploitation. Consequently, it must rely on factors “exogenous” to production — external ownership, inadequate local markets, dependence on external markets with the added transportation problems and costs, capital shortage, overproduction of cheap undifferentiated products, inexperienced entrepreneurs, and political weakness within a larger political unit — as explanations of regional decline, even though it does not have the capacity to assess their causal adequacy within a broader theoretical universe.

If the above arguments are correct — that there are no good theoretical or historical grounds for rejecting the role of productive relations in patterns of regional capitalist development in the Maritimes — Clow’s theoretical attempt to isolate political factors and their consequences as crucial and his largely voluntaristic image of the causes of decline must be rejected as unfounded. This does not necessarily mean that these factors were without effect; but that their role can only be assessed within a more adequate theoretical and historical context. Neither does it automatically vitiate the possibility that the region’s fate might have been different within another political framework. But it does suggest, as noted earlier, that a variety of questions, other than those related to the political framework, must be asked. In particular, if the Maritime pattern of development did have something to do with regional configurations of the forces and relations of production and the regional variations in rates of exploitation and profit to which they may have given rise, what grounds are there for suggesting that the region would have done any better outside Confederation? How, exactly, would a different political framework have affected the Maritime configuration of forces and relations of production?

Finally, in terms of broader theoretical considerations, the argument suggests that “Maritime marxist” theories of regional capitalist development are inadequate, both in their narrower and broader versions. Specific historical patterns of regional capitalist development can be explained neither as the automatic result of the accumulation process, nor as the consequence of political frameworks and interregional political relationships, nor as the result of the two combined. An adequate conceptualization of the regional dimension of capitalist development must combine both theoretical and historical flexibility and a complex structure of
social determination if it is to account for the vast differences in regional capitalist development, such as those which distinguish Maritime Canada and the American south. It is to this task that we now turn.

**Historical Materialism and Regional Development** In Volume I of *Capital*, Marx's abstract model of the accumulation process uses the individual capitalist as its focus of analysis. For this individual, technological change within the firm may be a means to defeat both other capitalists and his own workers in the struggle over the production and distribution of the social product. The result, under a series of restrictive assumptions, is the generation of an industrial reserve army, an initial indication of the advantages accruing to capital as a result of spatial agglomeration.

In subsequent models of the accumulation process in Volumes II and III, additional variables are introduced, including the circulation process, the turnover time of capital and the developing contradiction between rates of exploitation and rates of profit. As these models become increasingly complex, the spatial dimensions of accumulation become clearer. Spatial concentration may provide advantages not only in terms of access to pools of surplus labour-power generated in previous phases of the accumulation process, but may also provide relatively easy access to markets, capital, semi-manufactured goods and ancillary services. It thus speeds up circulation, reduces the turnover time of capital, cuts unit overhead costs, and decreases reliance on credit. However, the same process may also entail costs because of congestion, limits on expansion, increasing rents and — if expansion outstrips capital's ability to re-stock the industrial reserve army — a tight labour market, resistance to exploitation, rising wages and falling profits. All of these provide incentives to some capitals — especially to the least efficient, labour-intensive ones — to consider relocation to greener pastures.

These models of the accumulation process thus give rise, at the level of theory, to contradictory tendencies — towards spatial concentration and dispersal — whose explanatory usefulness in any specific situation is subject to confirmation in historical analysis. According to Harvey

All [the Marxian theory of accumulation] says is that capitalism is bound to expand through both an intensification of relationships in the centres of capitalist production and a geographical extension of those relationships in space. The theory does not pretend to predict where,
when and exactly how these intensifications and geographical extensions will occur ... the latter are a matter for concrete historical analysis.\textsuperscript{30}

In order to carry out such an analysis, it is first of all necessary to recognize that the factors which were considered to be "disturbing influences" in the experimental context of Marx's analytical models have important explanatory potential in historical analysis. For Marx, the origin of surplus-value is in concrete labour processes, embedded in specific locations, with specific configurations of productive forces and under capitalist relations of production which reflect the historical and social conditions under which they develop. The factors which determine the location of capitalist production are therefore potentially numerous and interdependent. They can be arranged, somewhat arbitrarily, into three categories.

The first category consists of the forces of production — the availability of natural resources, instruments of labour, land and labour itself — which make it possible to transform and appropriate nature in the labour process, but which are themselves geographically variable. Their origins are both natural and historical, and their relationship with the production of surplus-value is a complex one. Under certain circumstances their relative scarcity can increase costs and impose significant limits upon capitalist development, but Marx also suggests that natural scarcity can be as much a stimulus to economic change as a hindrance. The origins of capital are thus to be found not in regions with the greatest natural abundance, but in temperate zones, where "the necessity of bringing a natural force under the control of society... [played] the most decisive role in the history of industry."\textsuperscript{31}

However, whatever the level of nature's bounty, for Marx natural conditions "can provide in themselves only the possibility, never the reality of surplus labour and surplus-value."\textsuperscript{32} For the latter to arise, a second set of requirements must be considered. These involve the social, historical, political, cultural and other factors which permit the establishment of capitalist relations of production, and which affect the substance of these relations — the cost (wages) and value of labour-power, the balance of class forces, the way in which technology and labour are combined in the production process, rates of exploitation and rates of profit.\textsuperscript{33} This "historical and moral element" in capitalist social relations can flow from a variety of sources, such as pre-capitalist social
structures. To the extent that these factors give rise to resistance to proletarianization and exploitation, capital must endeavour to dissolve them. The success of these efforts at dissolution can not everywhere be guaranteed however, and the conservation of significant regional variations in relations of production, and consequently in rates of exploitation and profit, may result.

The final set of factors are associated with both the realization and the production of surplus-value; these form a theoretical bridge between the forces and relations of production. Variations in proximity to markets, and the transportation and circulation problems to which they may give rise, play an important role in determining the location of production. Marx’s discussion of transportation, although fragmented, is an important source of insight into his views on the spatial dimension of capitalist development. He considered the “real” circulation of commodities through space to be part of the production process. The transportation industry produces and sells a change of location. By bringing the commodity to the market, this industry transforms it into both a use-value and an exchange-value, and can thus be considered to be productive of surplus-value. Improvements in the productivity of transport systems thus contribute to the production of surplus-value by adding value directly to the commodity and by reducing circulation time and the turnover time of capital. In addition, such improvements, by permitting the “annihilation of space by time,” become an important determinant of the geographical distribution of capitalist production, since they can extend the limits of dispersal in capital’s search for excess profits. Like changes in the efficiency of production generally however, transportation revolutions are not solely based on technical or geographic considerations, but also on the complex of socio-historical factors which affect what Harvey calls “transport relations.” The geographical limits to capital are therefore in this sense the result of social as well as technical development.

For a particular region to become a platform for capitalist production, the above variables must give rise to a schedule of costs — of constant and variable capital, land, raw materials, semi-processed goods, ancillary services and transportation to markets with adequate levels of effective demand — which makes possible at least socially average rates of exploitation and profit. There is no *a priori* reason for thinking that resource-poor regions are inevitably doomed to backwardness nor that deficiencies in
any one of these areas is terminal. Natural and geographic disadvantages can be compensated for by a balance of class forces favourable to capital and a resulting competitive advantage in production. However, for regional capital to be sustained in this way, the disadvantages associated with transportation, circulation and resource costs must be at least offset by above average rates of exploitation.

Moreover, if the key to regional capitalist development is the ability to attract productive capital which is already established elsewhere, the minimum required level of regional productivity is once again raised. For in practice, the search for locational advantages by capital is a search, under the whip of competition, for excess profits, which accrue to capitalists who sell at the social average, but produce at local costs which are less than the social average. According to Harvey, this quest can be an alternative, for capital, to the use of technological advantages in increasing the production of relative surplus value. It may be a particularly attractive option for capitalists in sectors in which technological stability rules out the possibility of a "technological" fix for rising wages and falling rates of exploitation and profit. On the other hand, some technological changes might imply relocation as one of their long-range consequences. For instance, maximising the savings in production costs offered by the introduction of the ring spindle in the late nineteenth century implied relocation of textile capital from New England to the Carolinas, where cheap female and child labour was abundant. In both cases, however, the rational decision rule to be followed by capitalists is that the additional surplus-value accruing from advantageous production relations in a "peripheral" region should outweigh not only additional transportation, circulation and turnover costs implicit in "peripheral" production, but also the costs associated with devaluation and relocation itself. In practice, this calculation is difficult to make with any degree of certainty, especially if the advantages of relocation appear to be marginal. Where they are significant however, and where competitive pressures, relatively mobile capital and/or a short turnover time reduce the costs and risks involved in the process, the logic of relocation may be compelling.

The Political Economy of Maritime Capitalist Development: "Historical and Moral Elements" The above sketch of the determinants of regional patterns under capitalism provides what
appears to be a more fruitful approach to the analysis of concrete historical patterns of regional development than those discussed earlier. In contrast with the approach of Veltmeyer, it provides a conceptualization of the relationship between capital accumulation and regional development which is historically flexible rather than axiomatic, and leaves open the historical possibility of periods of regional restructuring which may result in "peripheral" capital accumulation. From this perspective it is also conceivable that different regional configurations of forces and relations of production may offer different opportunities for different capitals. In contrast with Clow's voluntaristic conceptualization it recognizes that there are a variety of social and historical factors, over and above partisan political struggles, which can be significant as determinants of, or limitations upon, the regional distribution of capitalist production. What remains is to assess the value of this approach by investigating the historical pattern of capitalist development in the Maritime region.

In order to do this, it is possible to draw not only upon the above theoretical discussion, but also upon the roughly simultaneous experience of the American south, in order to use the comparative method to try to isolate the most promising lines of historical explanation. As I have argued elsewhere, in a comparative study of the emergence and growth of cotton textile production in Maritime Canada and the Carolinas, there is only weak theoretical and historical support for the causal adequacy of the "exogenous" factors isolated by Acheson as explanations of Maritime decline. 39 Most of the crucial problems facing Maritime cotton textile producers — capital shortage, lack of industrial experience, problems of mobilizing and controlling skilled and unskilled labour, inadequate local and regional markets, high transportation costs relative to those of their competitors, overspecialization in low-count grey goods — also had to be confronted by their southern counterparts. Indeed, in the south, there is evidence to suggest that some of these difficulties were even more severe than in the Maritimes.

First, the level of economic damage wrought by the Civil War was of a different magnitude from the disruptions in the Maritimes caused by the crisis in the transatlantic economy. Capital shortage in the south was much more acute, and southern mills tended to be relatively modest, relying on larger numbers of smaller investors, at least in the early years. Further, in the aftermath of the Civil War and the abolition of slavery, it proved to be impossible to attract
skilled labour to the region. Maritime mills were able to do this, although inducing skilled labour to remain in the region seems to have posed problems.

Second, in both instances regional markets for textiles were undeveloped and producers were therefore forced to sell in ‘external’ markets. The absolute distance between Maritime cotton mills and the markets of central Canada was somewhat greater than the distance which had to be covered by southern cotton goods to reach their markets. But transportation policies undoubtedly reduced the effects of these differences. Maritime producers operated within a transportation system which provided both subsidies and a measure of protection, by means of differential eastbound and westbound rates, at least until 1920. In contrast, freight rate differentials in the United States worked against southern producers and lasted until after World War Two, but failed to prevent southern textile industrialization. Third, without the capacity to import the skilled workers necessary for the production of high-count fine goods, it seems likely that overspecialization in grey goods production may have been an even greater problem in the Carolinas than it was in the Maritimes.

Not only were there similar problems to be confronted, but some of the attempted solutions were also similar. Collective efforts by local businessmen were the financial foundation of mill-building campaigns in each case, while the promises of community prosperity and salvation provided the ideological incentives. Company housing, the company store, family labour, the family wage and a variety of other mechanisms of social control and labour discipline were also present in each region. Finally, political campaigns to achieve higher levels of protection, “fairer” freight rates, regional protests against internal colonialism, and the search for foreign markets to ease the problem of overspecialization were attempted by producers in both regions.

Nevertheless, despite these similarities, the Maritime cotton textile industry stagnated, was swallowed by its larger central Canadian competitors, and eventually disappeared, while in the Carolinas the industry prospered, attracted capital into the region and, over time, eventually destroyed its New England competition. By the middle of the twentieth century the American textile industry was a “southern” industry. Why did the same set of contextual problems and proposed solutions produce such distinct historical results?
If the answer to this question cannot be found in the "exogenous" variables identified by Acheson, neither can it be found in the "natural" or technological components of the forces of production. While it seems unlikely that Maritime producers could acquire raw cotton as cheaply as mills in the south, their raw material costs were probably not significantly different from those of their central Canadian competitors. Nor can the answer be found in the availability or cost of cotton textile machinery. By the late nineteenth century, the technology of textile production was stable and available on relatively easy terms, as textile machinery manufacturers in Britain and the U.S. competed aggressively for markets. The ring spindle, which became available during this period, was embraced enthusiastically by mills in all regions in their efforts to cut unit production costs.

One place to look for an explanation of these widely divergent paths of regional development is in the complex of social and historical factors which conditioned the development of capitalist production itself. It is beyond the scope of this paper to investigate either the full range of variables which must be unpacked from Marx's shorthand "historical and moral element" in capitalist production or the range of historical regional variation within the Maritimes. Loosely following Brenner however, it is possible to identify the creation of capitalist social relations in pre-industrial production as an important determinant of the possibility of capitalist development. Further, the specific historical conditions under which the transformation of social relations occurs, and the balance of class forces to which it gives rise will, from this perspective, also condition the historical dimensions of the accumulation process: the availability, cost, and value of labour-power, rates of exploitation and profit, the pace of accumulation, the development of specialization and of markets. From this perspective, capitalist development can be expected to occur in those regions in which industrial capital confronts and is able to exploit an extensive pool of labour-power in pre-industrial production which has already been "freed" from the means of production and subsistence. This may not be the only precondition for capitalist development, nor does it mean that other lines of investigation will not also yield fruit. Rather, the general area suggested by Brenner is offered as a useful starting point.

In the postbellum south, a long period of class conflict and experimentation in agriculture culminated in the creation of a peculiarly "southern" system of wage-labour. After the failure of
attempts to reintroduce the gang-labour system characteristic of slave production, plantations were divided for purposes of cultivation into small plots of thirty to fifty acres, operated by tenant farmers and sharecroppers and their families. This system of tenant farming was based in theory on rents and shares, but was in reality a system of wage-labour operated largely at the discretion of those who owned the land. It provided the credit necessary for cotton production.

The foundation of this control was post-Reconstruction legislation across the south which reduced the legal status of the sharecropper to that of "labourer" or "servant," and placed legal control of crops, accounts, and marketing in the hands of landowners. In a context of widespread illiteracy, croppers lost control of virtually all aspects of the production process, as well as their incomes, and were thus proletarianised. As cotton cultivation and country merchants spread from the plantation belt into upland areas formerly dominated by independent farmers, many of the latter were also absorbed into this system.

Only North Carolina differed from this general pattern, but it did so in such a way as to make the state additionally fertile ground for the location of textile production. Legislation passed in 1876-7 abolished the legal distinction between tenants and croppers, making possible the proletarianization of both categories. By 1910, when the state's textile labour force had reached almost 50,000, there were also over 107,000 tenants and croppers (42.3 percent of all farm operators) in North Carolina alone and about 1.5 million in the south as a whole. As many of these farmers and their families were gradually squeezed out of agriculture by falling cotton prices, increasingly unproductive land, and debt, they provided a vast pool of impoverished labour-power available for factory work.

With incomes that barely reached subsistence levels, white tenants and croppers (a majority in North Carolina) saw wage labour in the cotton mills as a practical, if not an attractive, alternative to agriculture. For many, the discipline of the factory was seen as a temporary expedient, to be tolerated until economic conditions permitted a return to farming. But conditions in the textile industry were dependent upon those in agriculture, at least until the 1920s and 1930s, and many were unable to accumulate the means to make the return. Family wages in the mills were as low as those in agriculture, hours were just as long, and the use of female and child labour went largely unregulated. By the 1920s,
when depression, the effects of the boll weevil, increased mechanization and the defeat of the postwar union organizing drive permitted large increases in work intensity, it was estimated that the average southern advantage over New England in terms of unit labour costs was in excess of thirty percent.

According to one interpretation, Maritime agriculture played an important role in the failure of industrial development in the Maritimes because it provided only a severely limited market for manufactured goods. Farming in the Maritimes in the late nineteenth century was just as small-scale, labour-intensive and perhaps as unremunerative as in the south. In 1890, about 50 percent of Nova Scotia farms and 36 percent of New Brunswick farms were units of fifty acres or less.

Yet southern agriculture appears to have failed in this respect too, and the south industrialized nonetheless. To the extent that the causes of growth and decline were to be found in the realm of production rather than in exchange, the most important difference between Maritime agriculture and its southern counterpart in the nineteenth century was its class structure. In contrast with the American south and with Ontario, farms in Maritime Canada, less affected by commercialization and centralization, were overwhelmingly owner-operated. Between 1870 and 1910, such farms never fell below 92 percent of the total in New Brunswick, nor below 91 percent in Nova Scotia. And since the total number of farms was much smaller than in either the southern States, or in central Canada, the absolute number of tenant farmers and wage-labourers on Maritime farms never exceeded the 7,557 reached in 1890. In the same year there were over 61,000 in similar positions in Ontario and over 20,000 in Quebec. Between 1890 and 1900 the total number of farm operators in Ontario fell by over 60,000, almost all of whom were tenants or smallholders on farms of less than 10 acres, Quebec lost 25,000 operators with much the same profile, while the two Maritime provinces together suffered a net loss of fewer than 12,000. According to the 1911 Census, the average cost of a week of farm-labour-power in the Maritimes was higher than in Quebec and Ontario in both 1901 and 1911.

The fisheries were potentially a second source of labour-power for Maritime industries. But their geographic distribution did not provide easy access to the region's factories. And, like Maritime farmers, most of those who worked the fisheries tended to be owners of the means of production and subsistence, and were thus not “free” wage-labourers in the classic Marxian sense.
Compared with the situation in the Carolinas and central Canada, in the Maritimes it appears that the pool of surplus labour, "freed" by capital from access to the means of production, was severely restricted. In terms of their availability for wage-work, their degree of dependence on capital and, consequently, in terms of the potential for exploitation, the region appears to have been at a clear disadvantage. Add to this the migratory linkages with New England and other regions of Canada which industrialized before the Maritimes and which continued to draw labour-power from the region even during the decade of its most rapid capital accumulation, along with the superior ability of Ontario to attract labour-power from overseas, and the pattern of locational advantages within Canada becomes clearer.

If proletarianization within the pre-industrial economy is a precondition for capitalist industrialization, and if continued ownership of, or independent access to, the means of production and subsistence are as great a barrier to capitalist development as Marx and a variety of later studies suggest, then there ought to be evidence of different patterns of class relations and rates of industrial exploitation in Canada and the United States. More specifically, in the American case, the pattern of social relations in the south should have provided the region's textile industry with a rate of exploitation higher than its New England competitors. In Canada, by contrast, we might expect no such pattern of locational advantages in production to occur; or we might expect it to favour central Canada at the expense of the Maritimes. Tables 1 and 2 present a series of calculations for the textile industry, based on American and Canadian Census of Manufactures data for selected regional units and years, which suggest that these different patterns may have existed.

The American pattern is fairly clear, consistent over time, and has been discussed extensively elsewhere. It can thus be summarized briefly: on the basis of the advantages afforded by the south's "peculiar" system of wage relations, textile capitalists in the Carolinas were able to generate and maintain rates of exploitation which were sufficiently high to overcome the costs of their "peripheral" location and which, over the long haul, forced competing capital in New England either to liquidate or to relocate in order to remain competitive.

In contrast, the Canadian case is less clear and needs to be stated with more caution, since the calculations in Table 1 and 2 are
<table>
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<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
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<th>10</th>
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<td></td>
<td>Cost of Value of Value Productive Surplus Variable Rate of Rate of</td>
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<td></td>
<td>Salaries Wages Materials’ Products Added Salaries Depreciation</td>
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<td>1,105.2 7,385.4</td>
<td>13,612.9</td>
<td>54 14</td>
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<td>16,240.9 37,542.7 74,780.8 37,238.1</td>
<td>—</td>
<td>1,861.9 19,135.3</td>
<td>16,240.9</td>
<td>118 34</td>
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<td></td>
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<td>556.2 2,180.8</td>
<td>15,761.3</td>
<td>25,674.5</td>
<td>61 19</td>
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<td>1900</td>
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<td>—</td>
<td>1,007.0 2,820.5</td>
<td>20,255.4</td>
<td>33,334.4</td>
<td>61 23</td>
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<td>1909</td>
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<td>—</td>
<td>1,474.9 4,065.3</td>
<td>30,648.3</td>
<td>46,592.0</td>
<td>66 20</td>
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<td></td>
<td>1919</td>
<td>109,902.5 359,675.3 596,687.4 237,012.2</td>
<td>—</td>
<td>4,675.8 11,850.6</td>
<td>110,583.3</td>
<td>114,578.3</td>
<td>97 23</td>
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<td>1929</td>
<td>31,645.9 47,869.9 99,335.2 51,645.3</td>
<td>—</td>
<td>1,343.2 2,582.3</td>
<td>16,074.0</td>
<td>32,989.1</td>
<td>49 19</td>
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<td>381.3</td>
<td>—</td>
<td>19.1</td>
<td>179.2</td>
<td>183.0</td>
<td>98 15</td>
<td></td>
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<td></td>
<td>1880</td>
<td>439.7 1,463.6 2,554.5</td>
<td>1,090.9</td>
<td>—</td>
<td>54.5</td>
<td>596.6</td>
<td>439.7</td>
<td>136 31</td>
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<td>1890</td>
<td>1,475.9 6,239.9 9,563.4</td>
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<td>85.1</td>
<td>166.2</td>
<td>1,596.3</td>
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<td></td>
<td>1900</td>
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<td>10,986.2</td>
<td>293.4</td>
<td>549.3</td>
<td>5,061.6</td>
<td>5,420.5</td>
<td>93 22</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>1909</td>
<td>12,130.6 48,687.6 72,680.4</td>
<td>23,992.8</td>
<td>804.9</td>
<td>1,199.6</td>
<td>9,857.7</td>
<td>12,935.5</td>
<td>76 16</td>
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<tr>
<td></td>
<td>1919</td>
<td>49,134.5 186,779.7 318,368.2</td>
<td>131,588.3</td>
<td>2,822.4</td>
<td>6,579.4</td>
<td>73,052.1</td>
<td>51,596.9</td>
<td>141 30</td>
<td></td>
<td></td>
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<td></td>
<td>1939</td>
<td>74,981.8 158,252.8</td>
<td>324,208.2</td>
<td>165,855.4</td>
<td>2,613.2</td>
<td>8,292.8</td>
<td>79,967.6</td>
<td>77,595.0</td>
<td>103 33</td>
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</table>


3. Includes energy costs 1900-1939 inclusive.
Table 2
Regional Variations in Rates of Exploitation and Profit, in Cotton Textile Production, Canada, 1870-1930.
(Money Figures in $000)\(^1\)

<table>
<thead>
<tr>
<th>Prov.</th>
<th>1870</th>
<th>1880</th>
<th>1890</th>
<th>1900</th>
<th>1910</th>
<th>1915</th>
<th>1920</th>
<th>1930</th>
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</thead>
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<tr>
<td>N.B.</td>
<td>7.9</td>
<td>10.3</td>
<td>13.2</td>
<td>16.2</td>
<td>19.2</td>
<td>22.2</td>
<td>25.2</td>
<td>28.2</td>
</tr>
<tr>
<td>N.S.</td>
<td>8.9</td>
<td>11.3</td>
<td>14.2</td>
<td>17.2</td>
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<td>26.2</td>
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<td>Ont.</td>
<td>9.9</td>
<td>12.3</td>
<td>15.2</td>
<td>18.2</td>
<td>21.2</td>
<td>24.2</td>
<td>27.2</td>
<td>30.2</td>
</tr>
<tr>
<td>Que.</td>
<td>10.9</td>
<td>13.3</td>
<td>16.2</td>
<td>19.2</td>
<td>22.2</td>
<td>25.2</td>
<td>28.2</td>
<td>31.2</td>
</tr>
</tbody>
</table>

based on prices, not values, and more closely reflect the amount of surplus-value realized, rather than the amount produced. It is thus not possible to eliminate, on the basis of the data alone, the possible impact of inadequate regional markets on output and value added. Nor is it as simple a matter in practice as it is in theory to separate the effect of relatively high transportation costs on prices from the effect of productive relations. It remains conceivable, and likely, that the additional transportation costs incurred by Maritime producers may have forced them to reduce prices to distributors in order to remain competitive, and that the rates of exploitation for the Maritime provinces in Table 1 are thus 'contaminated' by factors other than productive relations narrowly defined.

This said, in contrast with North Carolina, where locational advantages in the production of surplus-value allowed capital to overcome disadvantages in terms of its realization, Table 2 appears to indicate that such advantages were not available to cotton textile capitalists in the Maritimes or, if they were, they were not adequately exploited. Even though the Canadian pattern is less consistent than the American one, the pattern of locational productive advantages in the Canadian cotton textile industry seems, in general, to have favoured central Canada at the expense of the Maritime Provinces. Disaggregating the data in order to investigate the relative positions of individual mills does not substantially alter this general picture.48

At the very least then, the calculations in Table 2 appear to indicate that capitalists in the Maritimes were not able to impose the added costs of location onto workers and their families. Indeed, in 1890, the last full year of independent operation for most of the Maritime cotton mills, the mills of New Brunswick, which employed about 85 percent of the cotton mill workers in the region, paid the highest average annual wage ($284) of the four provinces, while Quebec paid the lowest ($215).49 In the same year, the St. Croix mill in New Brunswick had the highest average annual wage ($332.80) of all the Canadian cotton mills, its management having failed in an attempt in the mid-1880s to impose the costs of the crisis of that period upon its workers.50 Not the least of the problems faced by the mill's management during this attempt were the ability of its local employees to return to their family farms or to follow already established patterns of migration in search of other work, and community hostility toward their imported replacements, many of whom were also persuaded to
In 1890, the Montreal Cotton Company, of Valleyfield, Quebec, which was reputed to pay the lowest wages in the province, employed 65 percent more workers than the St. Croix mill, paid 8.5 percent less in aggregate wages, and produced a mass of surplus value 350 percent greater.\footnote{52}

Comparable data for the region’s other major industries are only available until 1890, after which point the Census Office refused to publish information which would permit the identification of particular establishments. Nevertheless, similar patterns can be found in a number of the region’s other major industries during the “golden age of” Maritime industrialization before 1890. (See Table 3.\footnote{53}) First, the two glass works in the Maritimes, both located in Pictou County, were significantly less productive than their counterparts in Ontario and Quebec, even though they had a higher dollar value of fixed capital per worker at the end of 1890.\footnote{54} On average, these two factories were smaller than their central Canadian competitors, but paid roughly similar annual average wage rates.

Second, one of the more competitive iron smelters in Canada in 1890 was in New Brunswick, although compared with the major concentrations in Nova Scotia (three establishments) and Ontario (ten establishments), its productive capacity was limited and its markets were probably local. On average, the mass of surplus-value produced and the rate at which it was produced were significantly higher in Ontario in both 1880 and 1890 than in Nova Scotia. The latter \textit{may} have enjoyed the advantage of lower wage rates, but also the disadvantage of a lower dollar value of fixed capital per worker. When these data are disaggregated, the contrast between Ontario’s most important concentration of productive power — in Hamilton — and that of Nova Scotia — in Pictou County — is even clearer, even though the Pictou operation may have been more highly capitalized.

Third, in the production of rope and twine, both Maritime provinces were at a clear disadvantage in 1880. By 1890 however, two factories in New Brunswick had become competitive with those in Ontario in terms of rates of exploitation, even though they paid the highest average annual wage of the four provinces by a wide margin. But they were not competitive with the Ontario mills in terms of the relationship between surplus-value and total capital advanced, and they were significantly less competitive than the Quebec factories in both respects. Perhaps most significantly, the largest rope and twine factory in Canada, at Halifax (employing
Table 3  
*Rates of Exploitation (%), Various Industries, by Provinces, 1870-1890*

<table>
<thead>
<tr>
<th></th>
<th>Glass Works</th>
<th>Iron Smelting</th>
<th>Rope &amp; Twine</th>
<th>Rolling Mills</th>
<th>Foundries, Machine Shops</th>
<th>Woollen Mills</th>
<th>Sugar Refineries</th>
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</thead>
<tbody>
<tr>
<td>1870</td>
<td></td>
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<tr>
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<td>153</td>
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<tr>
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<td>—</td>
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<td>139</td>
<td>83</td>
<td>135</td>
<td>—</td>
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<td>106</td>
<td>164</td>
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<td>1880</td>
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<td>123</td>
<td>—</td>
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<tr>
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<td>138</td>
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<td>105</td>
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<td>55</td>
<td>—</td>
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<td>23</td>
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<td>181</td>
</tr>
<tr>
<td>1890 Hamilton</td>
<td></td>
<td>124</td>
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<td></td>
</tr>
<tr>
<td>1890 Pictou</td>
<td></td>
<td>34</td>
<td>43</td>
<td></td>
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</tr>
<tr>
<td>1890 Hochelaga</td>
<td></td>
<td>71</td>
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</tbody>
</table>

Studies in Political Economy

over 300), appears not to have been competitive with the central Canadian factories either in 1880 or in 1890.

Finally, as was the case with iron smelting, Nova Scotia possessed by 1890 a major concentration of capital and labour-power in rolling-mills. But it could not compete with a smaller concentration in Ontario in terms of the ability to produce and realize surplus-value, even with possibly a lower average annual wage and a higher level of fixed capital per worker. Moreover, if the provincial figures for Nova Scotia and Quebec are disaggregated, Nova Scotia’s larger Pictou County establishment appears weak in comparison with Quebec’s largest, at Hochelaga.

Capitalists in these four industries, together with those in cotton textiles appear, in general, to have been unable to compensate for the costs of peripheral location by means of above-average rates of exploitation even though average wages in some locations may have been lower than those in central Canada. Indeed in some cases, the gulf between rates of exploitation in central Canada and the Maritimes are so large as to suggest difficulties in reaching even average levels. This does not seem to have been the pattern in all cases however. Maritime foundries and machine shops on the one hand, and woollen mills on the other, both appear to have been roughly competitive in terms of our indicators of rates of exploitation and profit. Both industries operated on a relatively small-scale, probably produced primarily for local markets, and may have been relatively immune from central Canadian competition. Only in Quebec did average establishment size in each case exceed 20 workers, and in both industries the largest concentrations of capital and labour-power were in Ontario, which had 307 woolen mills with 5200 workers, and 337 foundries and machine shops, with 6200 workers. In both industries, Nova Scotian establishments appear on average to have been more competitive than those in New Brunswick, with both higher average annual wages and higher levels of fixed capital per worker.

Finally, there was one large, modern, and relatively highly-capitalized industry — sugar refining — in which Maritime, and especially Nova Scotian capitalists, held a decisive edge. The major Canadian concentration of capital and labour in this industry was in Quebec, with four refineries and over 1500 workers. Nevertheless, both the Nova Scotian and New Brunswick refineries appear to have been more highly capitalized. Rates of exploitation in the Nova Scotia refineries outstripped
those in New Brunswick and Quebec by a wide margin. The Halifax refinery, with the lowest annual average wage of all the refineries and the highest dollar value of fixed capital per worker at year end, generated a rate of exploitation (459 percent) vastly superior to those of its competitors. When the consolidation movement finally hit the sugar industry in the mid-1890s, this refinery and its managers played a leading role in the construction of a Maritime combine which, in the words of Acheson, (unlike combines in other industries), “worked in the interests of the regional entrepreneurs.”

Conclusion Bearing in mind the temporal and conceptual limitations of the above discussion, what tentative conclusions can be drawn for the study of Maritime capitalist development? First, in contrast with the situation in the Carolinas, it is apparent that capital in the Maritimes as a whole was not able to compensate with above-average rates of exploitation and profit for the additional costs it incurred as a result of its “peripheral” location. While the evidence does not unambiguously identify production relations as the unique cause of locational disadvantages, it does suggest that investigations of regional variations in such relations provide a potentially fruitful avenue of inquiry. In some cases, the size of the Maritime disadvantage might suggest grounds for optimism that such investigation will yield interesting results.

Second, the preliminary evidence, presented above, suggests *variations* in the ability of different Maritime capitals (at provincial, regional and factory levels) to compete with their central Canadian counterparts. It therefore provides further evidence that explanations such as those of Veltmeyer and Clow are of limited value. Both of these explanations owe more of a debt to dependency theory than to historical materialism. Both consequently emphasize, for purposes of explanation, region rather than class. Consequently, neither has the capacity to explain the variations in productive relations and rates of exploitation *within* the Maritimes indicated above, nor to investigate the possible sources of such variations, such as contrasting socio-economic conditions of town and country, regional variations within the Maritimes, or historical patterns of settlement.

All of the evidence presented here should be regarded as preliminary. It does, however, suggest the importance for Marxists and non-Marxists alike of historical inquiry which moves beyond the investigation of the social backgrounds of capitalists, their
“projects,” sources of capital, social connections and so on, and begins to deal with the relatively neglected issues associated with capitalist production itself: the character and implications of pre-industrial social structures in town and country, the spatially uneven development of industrial capitalism within the region, the process of class formation, the introduction and organization of factories, patterns of class relations and conflict, and their institutionalization within the capitalist production process. Only after these neglected determinants of capitalist development have been investigated will we be able to reach conclusions about the economic decline of the Maritimes.

Notes

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1. "...that view of the course of history which seeks the ultimate cause and the great moving power of all important historic events in the economic development of society, in the changes in the modes of production and exchange, in the consequent division of society into distinct classes, and in the struggles of these classes against one another." Friedrich Engels, "Socialism: Utopian and Scientific," in Karl Marx and Friedrich Engels, Selected Works in Two Volumes, Vol. 2 (Moscow, 1962) p. 102.


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11. "Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, the torment of labour, slavery, ignorance, brutalization and moral degradation at the opposite pole, i.e. on the side of the class, [my emphasis that produces its own product as capital].“ *Ibid.*, p. 799. In the face of this deafening theoretical silence, the fact that Marx uses geographic labels (e.g. England, Wales, Ireland, Lincolnshire) to organize his discussion of the impact of capital accumulation on the working class and defines unemployed agricultural labourers as a "latent" rural surplus population seems comparatively insignificant.
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32. Ibid., p. 650.
35. Marx, Grundrisse, p. 524.
37. Ibid., p. 389. There seems to be no a priori reason to suppose, however, that locational advantages should automatically produce increases in relative surplus-value. In practice, they probably do, but it does not seem inconceivable that a locational change might increase the production of absolute surplus by permitting an extension of the working day, ceteris paribus. See Marx’s discussion of the relationship between the two strategies in Marx, Capital (1976) p. 646.
39. The following discussion of textile industrialization in the Maritimes and the Carolinas is based on a longer discussion in Wood, Southern Capitalism..., pp. 11-24.
40. Robert Brenner, “Agrarian Class Structure and Economic Development in Pre-Industrial Europe,” Past and Present, No. 70 (February 1976); and “The Origins of Capitalist Development: A critique of Neo-Smithian Marxism,” New Left Review, No. 104 (July-August 1977). The present interpretation is somewhat weaker than the “Brenner thesis” in its original form. Brenner not only tends to underestimate the role of the forces of production in the development of capitalism, but also tends to neglect the role of class conflict within capitalism as a force which displaces production to ever higher levels of productivity. See Ben Fine, “On the Origins of Capitalist Development,” New Left Review, No. 109 (May-June, 1978) pp. 88-95. A fuller treatment of the relationship between pre-industrial class structures and the development of industrial capitalist production therefore implies the integration of the historical patterns of class conflict currently under investigation by Maritime labour historians into this theoretical framework, as well as an analysis of the role of the state. This is beyond the scope of this essay, however.
41. Wood, Southern Capitalism..., p. 78; idem, “Barriers’ to Capitalist Development...” p. 36.
43. Wood, “Barriers’ to Capitalist Development...,” Table 5.
44. Ibid., Table 6.
45. Canada, Office of the Census, Census of Canada 1911, Volume IV (Ottawa, 1912) p. LX.


53. Table 3 is a summary of some of the results contained in a series of accompanying tables, similar in form to Table 2. These additional tables have been removed at the request of the editors. I would be pleased to provide copies for anyone interested.

54. Firms not operating at capacity (for whatever reasons: bad management, long circulation periods, locational disadvantages) will tend to have a higher dollar value of fixed capital per worker, *ceteris paribus*, than their more efficient competitors. For this reason, and because evidence about turnover times is not available, these figures cannot be reliably used as proxies for the technical composition of capital. Consequently, the combination of relatively low rates of exploitation with relatively high fixed capital stock values which occurs in some of the Maritime industries discussed in this paper may not be as paradoxical as it appears at first sight.

55. The possibility of short-time in the least competitive operations also prevents us from drawing firm conclusions about wage rates on the basis of these aggregate figures, when the aggregates are lower than in Central Canada.


57. For a review and critique of dependency theory as it pertains to the Maritimes, see Eric Sager, “Dependency, Underdevelopment and the Economic History of the Atlantic Provinces,” *Acadiensis*, Fall 1987, pp. 117-137.