

Staples, Imperial Political Economy and Trade Flows

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Abstract

The purpose of this research paper is to reinvigorate the once prominent field of the ‘old’ political economy which was an active field of academic research during the interwar era. Harold Innis and the Toronto School of Historical Political Economy (henceforth the Toronto School) developed the concept of the staples thesis to organize, explain and interpret Canada’s past. The studies did include traditional topics related to production, distribution, exchange and consumption the authors went well beyond the narrow focus of conventional economic writings. Their purpose was to write narratives that were chapters of French and British imperial history played out in present-day Canada. Their writings were interdisciplinary studies of economic societies embedded in historical-specific institutions, technologies and northern ecoregions that I call mid-Canada. The latter is comprised of Canada’s northern forest regions above the forty-fifth parallel in Eastern Canada and north of the agricultural land in the west. It is an ecoregion because it is a regional ecosystem with distinct natural and geographical attributes that separate it from others.

The first section of my paper focuses on Harold Innis and his continental staples thesis. By the late 1920s, he emerged as a well-rounded social scientist that reflected the intellectual currents of thought in his era. His thesis created a coherent account of Canada’s origins and the evolution of key staple activities in mid-Canada. Eventually, his classics were viewed as the political economy of imperial peoples in Canadian hinterlands and their link to metropolitan centres. His research into staple societies in mid-Canada became the method for other economic historians who followed his lead. The second section examines Innis’ followers who formed a distinct school of historical political economy from 1930 to the early 1960s. They too focused on the links between the economic societies of British North America (henceforth BNA) and the imperial motherland.

The third section looks at Innis’ maritime staples thesis and the articulation of an imperial political economy for today’s Atlantic Canada. Cod was the staple centred around the Northwest Atlantic fishery. This activity was an integral activity of Britain’s imperial economy during their rise to hegemonic metropolis’ in the international economy of the 18th and 19th century. I then provide an

overview of central elements of Toronto School's approach to political economy. The paper ends with a unique set of data that answers some unanswered questions about the staples thesis.

Introduction. Research at the University of Toronto was the 'creative centre' of Canada's historical profession during the 1920s and 1930s.¹ Here, Innis and his colleagues conducted a number of research projects that came to known as a 'thesis' which emphasized the long-term economic, social and political development of Canada. The time frame for his classic studies of the fur trade, the fisheries, timber and other staple activities began with the European discovery of Newfoundland and progressed to the twentieth century. The rise and fall of each staple had a pervasive influence on the development of hinterland. Innis uncovered an inner unity in the complex life of staple-oriented communities. His narratives used a consistent framework to identify unifying factors that cultivated an ecological understanding of northern economies. He adopted an interdisciplinary with "a background in anthropology, biology, and sociology was needed as preparation for his own field, economic geography."²

Innis studied the relationship between Canada's northern environments, the material cultures of Native and Euro-Canadians and the spread of 'civilization' across the northern half of the continent. Innis never articulated an implicit method or model, but it is subtly interwoven into his narratives. Innis followed the approach of Adam Smith, who slowly developed theoretical insights after an exhaustive review of objective 'facts' of historical places, people, events and institutions. Innis was one of the first historians in Canada to immerse himself in archival documents and other primary sources to assemble information and data to support his conclusions. Scholars who followed his example were members of the Toronto School. The writings of each member were historically oriented and investigated the interrelations of geography and technology over time. Together, these scholars provided powerful insights into the true nature economic societies in mid-Canada.

Innis' Continental Staples Thesis. Harold Innis' enduring legacy is his thematic and interpretative framework for the study of Canadian history. He credited William Mackintosh for suggesting a staples approach and the central role of commercial frontiers in Canada's history. Both scholars shared many

themes, but there were substantial differences. Innis did not agree with Mackintosh's emphasis on settler agriculture and the wheat staple. For Mackintosh and the Queen's School of economic history, the prairie 'wheat boom era' ushered in Canada's first national economy. For Innis, the fur trade established the first transcontinental economy and wheat was only important for a short time in the twentieth century.³ The time horizon of Innis' political economy was much longer than the staple economics of the Queen's School. Imperial societies emanating from metropolitan centres in Europe created communities centred around staples and his analysis covered centuries, not decades, of economic change. Later in this thesis, I will use my new trade data to highlight the relevance of this framework for interpreting long-term trends in Canada's international economy.

Innis' First Staples Classic. In the Preface to *The Fur Trade in Canada*, Innis notes that his interest in this activity was aroused when he wrote his dissertation on the Canadian Pacific Railway (henceforth CPR).⁴ His narrative began with the first contact between Natives and Europeans and ended with the sale of Hudson Bay's land claims to the new Dominion of Canada in 1869. Many believe that Innis set out to write a comprehensive history of the fur trade. Innis' purpose was more limited. He sought to trace out the expansion of the fur trade frontier that followed "the isothermal lines, the deciduous forest area, and the Pre-Cambrian Shield with its wealth of waterways."⁵ Challenges emerged in the transport of supplies and furs over increasing distance, and it was the purpose of his book to trace movement of the fur frontier as it spread across the continent. Innis directed his attention to the virgin territories of the north and west of present-day Canada. This focus on the marginal areas of mid-Canada and the Far North allowed him to go beyond the static, extensive margin of the Ricardian tradition and to emphasize the dynamics of economic change. The spatial frontier held the secrets for understanding the creation of a distinct economic society in the northern half of the continent. In the continued expansion of the spatial margin of the trade, he identified numerous examples where monopolistic institutions emerged in the fur trade.⁷ Staples provided a vehicle to illustrate "the effects of a vast new land area on European civilization."⁸

Enduring Character of the Fur Trade. The interplay of ecology, economic, social and political factors in North America and Europe shaped the development of Canada's first continental staple. The marginalization of Native societies coincided with a slow and gradual adaptation of Euro-Canadians to a northern environment. Efforts to create monopolies were a constant feature of the industry and mirrored institutional monopolies in the conduct of European trade in overseas markets.⁹ Innis viewed the creation and dissolution of monopolies in the fur trade as a precursor of the institutional patterns that dominate Canada's history. The fur trade economy required specialized and complex organizations to mobilize economic resources in the sphere of production, the transport trade goods over vast territories and the creation of a dominant presence in metropolitan markets. The history of the fur trade is one of persistence and was not a transient phase in the development of Canada's north. It remains a fundamental activity for many Native Canadians to this day.

Geographical and Ecological Themes. Historians have never agreed on whether Canada's geography provided unifying forces or barriers to Canada's development. Some contend that its political unity was simply 'created' or 'constructed' in an imagined way. This viewpoint was not prevalent in the 1920s. Canada's northern ecoregions were dominant in literary, artistic works and various government agencies enlarged the public's awareness of the country's 'northern heritage. Innis built on this consciousness with his depiction of ecological influences in staple-oriented societies. Business strategies were not the only factor in creating monopolies. Geography fostered centralization. Euro-Canadian societies expanded in a westerly direction from the St. Lawrence watershed and Hudson's Bay, each following a major drainage system. Natural forces were foundational for the nation-building process that evolved in the northern half of the continent. The new Dominion was shaped by the unique ecology of mid-Canada in a pre-industrial age.¹⁰ It was a constant definition of place and a significant factor in community development in the regions north of the agrarian societies in southern Canada.

Innis' classic contained a mature ecological perspective that became a signature trademark of research studies writing by the Toronto School. The botanical provinces of Canada in Innis' era are

strikingly similar to ecoregions featured in contemporary maps. The Boreal ecoregion contained both the continental and maritime features of mid-Canada – the hinterlands of furs, forests and cod. Innis believed that his readers should have an understanding of the habits, habitats and ecosystems where wildlife and marine animals flourished. The first chapter of *The Fur Trade* is devoted to a detailed description of the habitat and behaviour of the beaver.¹¹ This was not a trivial exercise for Innis. He believed that northern ecologies profoundly influenced its inhabitants and the history of the fur trade. They were central to his argument, as were the distinct features of human societies on both sides of the Atlantic. Staple activities were pervasive and the central preoccupation of a set of interdependent communities: the emerging Canadian peoples (i.e., First Peoples and Euro-Canadians) and their transatlantic relationship with metropolitan centres. The ecological setting was more than a stage for the narrative. New northern societies emerged on its foundation. The integration of ecological concepts with all the other elements discussed above made Innis' staples thesis unique.

The spread of Western civilization in North America has been largely determined in its nature and extent by the character and number of the population, by the institutional equipment of the European settlers, by the advancement in the industrial arts known to them, by the cultural background of the native peoples of North America, and also by such interrelated geographic circumstances as climatic conditions, geological formations, topographical and physical features, and flora and fauna.¹²

Other Themes. The geographical expansion of Western civilization was an important feature of Innis' study of the history of the CPR and the fur trade. Harold Innis placed a special emphasis on the 'character' of the transportation and communication systems within distinct ecoregions. A change in one or both of these dominant modes of transferring goods and ideas over time and space had profound effects on frontier society. Technological innovations were so important that they defined Innis' epochs of economic development. Technology even influenced the timing of significant constitutional changes of civil authority. For Innis, the economic history of America's northern society was divided into two epochs. In the first era waterways united economic activities while land transportation emerged as the dominant mode in the second.

In the first period, fishing, the fur trade and the lumber trade were conducted by water transport and in the second period wheat, minerals, and pulp and paper were handled primarily by railways. The difficult period of transition from water transport to land

transport, which dates roughly from the canals of the 1840s to the completion of the Canadian Pacific in 1885, is marked by the struggle for responsible government, the decline of the mercantile system, and Confederation.¹³

Arthur Ray provides us with some insights into Innis' *Fur Trade* that have been overlooked or forgotten. Ray notes that the 1920s was an era when the social sciences constructed "grand theories to explain the changing human condition, create national mythologies and justify the global hegemony of the West."¹⁴ Innis' classic study fits into this genre. He demonstrated how the "first European business venture to span the continent and draw the diverse regions into a single economic network, which in turn was linked to the expanding world economic system centred in Western Europe."¹⁵ Innis showed how persistent influences on the continental fur trade were not only related directly to local communities and geographical considerations but also the mercantilist policies of imperial centres of power in Europe. They conducted a global struggle for dominance and these external forces directly affected the fur trade.¹⁶ Ray's observation about the role of transportation and communication is also insightful. Innovations in these Euro-Canadian systems dramatically changed the trading operations that stretched across the continent.¹⁷ They were instrumental in the creation of Hudson's Bay Company's (henceforth HBC) monopoly and also its demise. The delayed introduction of

railways, steamboats, motorized craft of various sorts, the telegraph, and the short-wave radio... facilitated new approaches to business management, altered centuries old labour management practices, and along the way, expedited resource depletion on an unimaginable scale.¹⁸

Harold Innis was the founder of the Toronto School. His style of writing had its own lexicon, nomenclature and convention that detracts from his message. Innis writing was repetitive, condensed, frequently contradictory and disjointed. His narrative was full of endless details of various historical actors, places and events.¹⁹ Nevertheless, young Canadian scholars adopted his framework to better understand the interwoven threads of Canada's past. Innis mentored many students and encouraged others to develop their own style of expression. Donald Creighton combined his literary genius with Innisian themes in his *Commercial Empire of the St. Lawrence*. Arthur Lower studied the colonial timber trade and post-Confederation lumber industry based on Canada's vast forest resources

in mid-Canada. The historical sociologist, Samuel Clark, employed an Innisian framework in his study of distinct cultures in frontier societies. Vernon Fowke stressed the subordinate status of agriculture in colonial economies. Morton rounded out the continental staples thesis by drawing attention the north-south orientation of staple activity. Together, these scholars followed a research project were the first generation of the Toronto School, which stressed geography and technology in the development of BNA's international economy. The result was a rich and diverse tapestry that became known as staples thesis — an approach that employed methods of the social sciences and humanities to explore, analyse and interpret the historical experience of Canadian peoples.

Donald Creighton and the Laurentian Thesis. One shortcoming in Innis' narrative was the absence of a human face on historical events, processes, patterns or outcomes. However, his themes inspired Donald Creighton to write history from the perspective of a humanist scholar. He believed that historical patterns were best illustrated the themes of a country's past. A historical theme includes the concepts that "underlie the historical material; the material is organized around the idea; and the idea summarizes and interprets the material."²⁰ This approach became a potent method of exposition when he embraced the Innisian conclusion "that Canada became a political reality not in spite of economic laws and geography but because of them."²¹ *The Commercial Empire of the St. Lawrence* brought Creighton national acclaim. His Laurentian thesis was quickly recognized as a variant of the staples thesis that focused on the critical role of commercial elites in the nation-building process.²² Pioneering individuals, European enterprise and local entrepreneurship lay behind the creation of Canada's first commercial system. Canada's fur trade was a distinct North American system whose scale and simplicity reflected the landscape on which it was built.²³ The complex social, economic and political structures constructed for mercantile purposes were the "dream of a commercial empire," which "runs like an obsession through the whole of history."²⁴ Physical geography was also an integral part of his story.²⁵ The northern landscape influenced economic activity soon after the arrival of French settlers. Agriculture took roots in select pockets in southern BNA and it was the staples in mid-Canada that play pervasive and persistent influence over Canadian economic life.²⁶

From the beginning, it exercised an impervious domination over the northerners... It was an area of staples, creating simple trades and undiversified industries; and its furs, its forests and its minerals were to attract three great assaulting waves of northerners. Fur was the first great staple of the north. And with the fur trade, the Pre-Cambrian formation began its long career in the Canadian economy as a **primary**, instead of a subsidiary, economic region. It was upon these ancient rocks that the **central emphasis** of the Canadian system was placed.²⁷ [my emphasis]

The Preface left no doubt about the priority given to economic actors with particular attention to the commercial classes.²⁸ Geography was the natural stage on which the merchant class worked out their destiny. This mercantile class was the driving force that created a commercial dimension to colonial institutions in the process of pursuing them. For Creighton, members of Montréal's mercantile elites in the late eighteenth century were the first Canadians to envision a distinct northern state. In typically dramatic fashion, Creighton went further by claiming that transcontinentalism is "the major theme in Canadian political life."²⁹ It was first evident in the fur trade that "enforced commitments and determined policies."³⁰ This commercial activity was the basis on which the colonial state was built. "It was anterior to the state."³¹

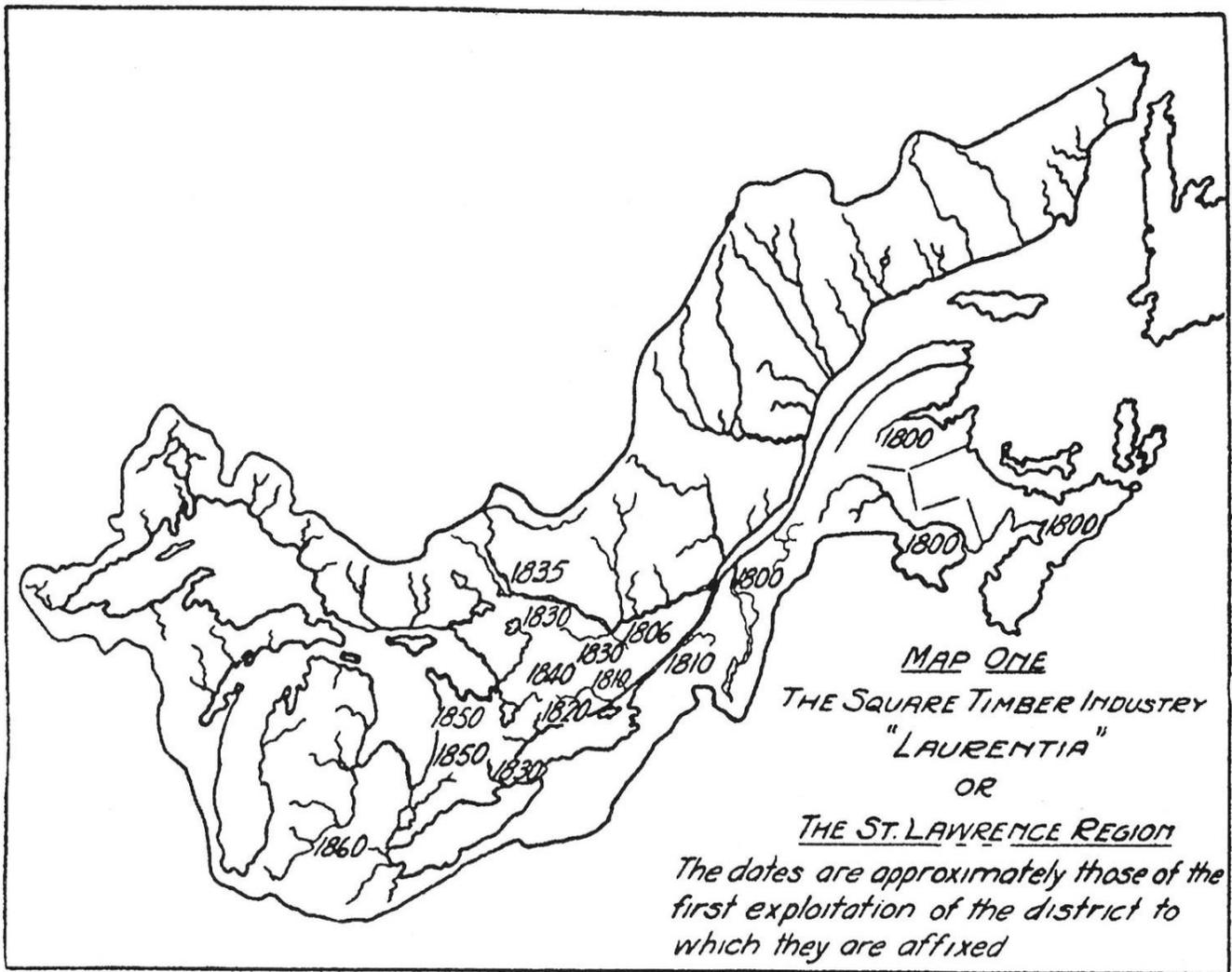
Creighton consistently tied Canadian history to the evolution of European civilization. Societies in Western Europe were the sources of ideas, enterprises, and creative power.³² Metropolitan centres provided the source for "culture, capital investment, political ideas [and] social organization" while various hinterlands were moulded by these influences.³³ The development of frontier followed the transcontinental system along the St. Lawrence Lowlands. This inland route served as the conduit for "the international commercial empire of the west."³⁴ It was the medium through which "men, and capital, and goods were brought outward from the centre to the limits of Western civilization."³⁵ In time, it reached further as it ran along the Saskatchewan Rivers with a Western branch reaching the Pacific Ocean and the northern section operating on the shores of the Arctic Ocean. Each movement of the frontier moved closer to an economy stretching from sea to sea to sea and shaped the instincts of politicians and business interests to unity and centralization. Creighton also believed that British North America was "engaged in an unequal struggle" with the USA for the continent, so a close

relationship with the UK was an absolute necessity for its survival. Canadians saw the imperial relationship as

a partnership... maintained in large measure for practical reasons.... The drama of nationality versus imperialism, in the original 'American' version, had never been re-enacted in Canada at all.³⁶

Arthur Lower and the Laurentian Thesis. Arthur Lower was a student at the University of Toronto but not a faculty member. His co-authorship in assembling historical documents with Innis, his early writing on forest staples and a belief early Canadian history was “simply the history of fish, furs, lumber, wheat and so on.”³⁸ Lower never adopted a complex ecological approach. Like Creighton, he focused on the physical geography of mid-Canada. “There is no element in the present Dominion of greater significance than the so-called Canadian Shield or Laurentian Barrier.”³⁹ The distinct geography of mid-Canada “determined the direction and rate of the country's growth in the past.”⁴⁰ A key to understanding Lower’s writing was the geographical region that he named Laurentia (see map on next page). It included the entire St. Lawrence Region shown here adjacent to mid-Canada in the centre and southern portions most of Atlantic Canada. Its shared geophysical features and flora make it a distinct ecoregion. Land adjacent to the lakes and rivers had the best soil and was suitable for permanent agricultural settlement. The first task was to clear the fields for farming and sell the timber as a onetime ‘cash crop.’ Farmland at the head of the watershed in mid-Canada was less favourable for agriculture but was a storehouse for the tallest trees. It was here that the square timber industry developed and provided the region of Laurentia with its second staples activity: squared timber. Soon to follow was the lumber industry.⁴¹ For Lower, the region reaches inland to mid-continent, and its water system facilitated “a logical and rapid geographical extension of the lumber industry from the seaboard to the western limits of the watershed.”⁴²

The character of most of the rivers, a series of lakes spilling over dams of hard rock ridges, provides natural reservoirs which ameliorate the lumberman's dependence on the spring floods... The waterfalls so formed are ready sources of power. Woods operations are facilitated by a reliable and ample snowfall. The region is thus not only a close-knit economic unit but also a favourable theatre for a great forest industry.⁴³



Source: Arthur Lower; 'The Trade in Square Timber' in Contributions to Canadian Economics (1933), pp 52.

Historical Sociology and the Staples Thesis. Historical sociology was a new subject of research in the interwar years, and two Canadians played an important part in establishing it a distinct discipline. Roderick McKenzie studied at the same University of Chicago that Harold Innis earned his Ph.D. He was a founding member of the ecological approach to sociology along with another Canadian Carl Dawson. Roderick McKenzie defined the sociological approach as "the study of the spatial and temporal relations of human beings as affected by the selective, distributive, and accommodated forces of the environment."⁴⁴ His macro approach to human ecology corresponds to Innis' research project on staple activities though his subject was not a specific country, but the global system created by Europeans.

The aviate pattern of spatial distribution with the relation of dominance and subordination among the interdependent parts is becoming a world distribution pattern. As the agencies of communication improve and as the impediments to movement are overcome, the world becomes organized on the pattern of a spider's web... The marginal regions that are in process of development or reorganization are commonly known as frontiers... [with] three general classes according to the nature of their economic relation to the centers of dominance. First, there is the trade frontier, characterized for the most part by the exchange of primary products for manufactured goods. This has been the relation of the far-flung parts of the British Empire to the mother country... Second, there is the plantation type.... The third type of frontier may be designated as the industrial frontier. This is the most recent development in the expansion of Western dominance.⁴⁵

An article written by Carl Dawson three years before the publication of Innis' *Fur Trade* illustrates how Canadian hinterlands were linked to metropolitan centres.⁴⁶ He claimed the country's "pattern of settlement and economic activities were mainly shaped by the country's status as the hinterland" first with France, then the UK "and more recently of the United States."⁴⁷ Samuel Clark studied under Dawson at McGill University and before his appointment at the University of Toronto. Dawson was thoroughly acquainted with the Chicago school of human ecology but believed that it had an excessive concern "with surface description" and "conveyed a static picture of society."⁴⁸ This assessment, plus the academic influence of his colleagues at the University of Toronto, led him to study dynamic social conditions in staple communities. Hinterland societies in his book *The Social Development of Canada* examined hinterland societies such as the fur trade of New France, the fisheries in the Atlantic colonies, the timber trade in Upper Canada, and mining in British Columbia and the Yukon.⁴⁹ Clark focused attention on pioneer communities ignored by historians of settler agriculture. His analysis included social disturbances, problems of adjustment and social reorganization. Issues such as social welfare, crime and moral order, cultural organization and education, and religious institutions and religious movements all defined the unique character of economic societies dominated by single industries. Carl Berger summarized Clark's approach as follows:

Canadian social development became the record of a succession of disturbances in social relations, habits, controls and institutions caused by the intrusion of new forms of economic production.... The specific modes of production [in each staple community] determined the nature of social problems⁵⁰

Vernon Fowke and Pioneer Agriculture. Innis declared in the conclusion of *The Fur Trade* that “agriculture, industry, transportation, trade, finance and governmental activities tend to become subordinate to the production of the staple.”⁵¹ Fowke’s research is indispensable for an understanding of the supplementary role of farming in a northern staples economies.⁵² Agriculture was an “instrument of commercial and political empire through its defense of territorial space and trade routes.”⁵³ Geography dictated that it be confined to southern regions of BNA, and its primary function was to be a provisioner for staple activities in mid-Canada.⁵⁴ Native trapping and provisioning were a vital component of the fur trade. Their intimate knowledge of wildlife and the logistical support for Euro-Canadian traders exemplified the interdependent nature of this relationship spanning centuries. In a footnote, Fowke remarks that early agrarian communities served as a ‘reserve army of labour’ for the staple frontiers that evolved over the centuries.⁵⁵

Little statistical evidence has been used to support Fowke’s claim. Agriculture did employ most of the population in colonial society, but we will see later that BNA remained a significant net importer of agricultural goods in the colonial era. Exports of staples from mid-Canada purchased the international goods that demanded settler communities. The secondary status of agriculture in Canada stands in sharp contrast to its central role in exports of the thirteen colonies where agriculture was the bedrock of economic society. The last section of my research papers provides conclusive evidence of this disparity between the southern and northern communities of North America.

Morton’s Heartland - Hinterland Relation. The Toronto School identified pervasive and persistent influences shaping northern communities from the early day of first contact to the modern era. William Morton contribution to the Toronto School began with his response to ‘Laurentian Imperialism’ that pervaded early staple studies. His narrative of Manitoba’s history emphasized the nature of a distinct society in the middle of the continent.⁵⁵ For Morton, the history of the fur trade begins with the HBC and the arrival of Montréal-based enterprise decades later was an external influence. Both organizations sought the strategic resources located in the Winnipeg Basin. The requirements of the western fur trade fostered a buffalo hunt and permanent agriculture along the

Red River.⁵⁷ The tension between the competing enterprises ended in 1821. Morton viewed the merger of the HBC and Montréal-based fur companies as the beginning of its ‘golden age’ and not as the end of Canada’s first continental economy as most staple historians claimed.

Permanent settlements along the Red River were an unintended consequence of the merger of the HBC and their eastern rivals. The new organizational structure that emerged dominated the West for fifty years. It was not a ‘settler society’ that was an extension of the East. It was a community built on an organized hunt for buffalo, which was the mainstay of Native communities for centuries. This activity became the principal occupation of the freemen and their offspring, the Métis. Pemmican was the staple meat product for the Red River community and the men transporting good to and from the Hudson’s Bay. Other food from hunting, fishing and gardening rounded out their diet.⁵⁸ But opportunities for growth were limited.⁵⁹

Innis and other staple historians in Central Canada viewed the Red River as a way station in a transcontinental system, but Morton’s depiction of this new community was different. The interplay between agriculture, the buffalo hunt and the northern fur trade shaped the character of economic society on the Prairies. The unique character of the Red River community did not nurture “a conflict of civilization and barbarism” that occurred in most agricultural frontiers.⁶⁰ Rather, it was “a partnership of trader and native.”⁶¹ The character of this Euro-Native community conditioned the reaction to outside forces.

It would be a mistake to exaggerate the differences between Innis’ continental perspective and Morton’s regionalism. The latter’s history of Manitoba was more than a masterful narrative of his native province. The emerging communities on the Prairies may have been distinctively western in their ecology and orientation. Yet in Morton’s estimation, it was representative of the Canadian experience. He viewed the fur frontier in the same way as Innis. It differed from agrarian frontiers in significant ways.⁶² The long-run trends in Western Canada mirrored those in other regions of BNA. “The past would prevail because Manitoban geography and history, like Canadian geography and history, were one and inseparable” because “the fundamental determinants of Manitoba’s history had

worked upon all of Canada.”⁶³ These shared influences moulding Manitobans were similar to the forces shaping the emergence of Canadian societies.⁶⁴ The ecology of western farming was vividly described as the “great moulder of its people.”⁶⁵ Nature’s influence was deeply embedded in rural communities, and agriculture had a strong “attachment to the soil and home.”⁶⁶ Another persistent theme was the pervasive interaction between the agricultural south and mid-Canada. The fur trade was the means by which this unique society emerged with strong ties to the imperial motherland

Morton used his literary style to illustrate the unique features of northern geography that are so central to the Canadian story. His clearest statement of the relationship between a northern people and their land was *The Canadian Identity*. Here, Morton presents his sweeping vision of Canada’s past. It was a story of a North American people building “a civilization that is European in origin and American in evolution.”⁶⁷ Its opening paragraph highlights the key factors that shaped Canadian nationhood. The emergence of BNA in the northern half of the continent depended on several factors: “the operation of geography, the needs of imperial strategy, the development of a historical tradition, and the conscious will of the Canadian people.”⁶⁸ The book examined each influence separately, but our focus here will centre on Morton’s portrayal of the geographical influences on our past.⁶⁹ Morton believed that “Canada was destined to be the country of the northern economy, the extension of the northern maritime frontier across the arctic slope of America.”⁷⁰ British North America was to be

the economy of the great staples of fish, fur and lumber. Habitable farm lands there were, but small in relation to the whole, enough to feed the staple trade and even to export surpluses, but not enough to support a population comparable with that so rapidly growing in the United States. Thus, though a continental country, Canada was still dependent, as the northern maritime frontier had always been.... The Atlantic islands and the Acadian peninsula, the St. John, the St. Lawrence, Hudson Bay, the Saskatchewan, the Fraser, the Gulf of Georgia, it was by their sea islets and inland waterways that British America lived.⁷¹

The emergence of a ‘northern nationality’ was rooted in historical experiences of European cultures dating back to the Vikings — it was a northern frontier very different from the USA. There were no ‘Alamos’ in Canada and no Turnerian frontier existed. It was a chapter in imperial history, one of many frontiers developed within the British Empire. Many characteristics survived and will do so indefinitely.⁷² Historians view the influence of the Canadian Shield in very different ways. The

Toronto School saw it as central to the exploitation of wildlife and timber staples while the economic historians at Queen's University, such as Mackintosh, depicted it as barren wasteland separating agricultural ecoregions. However, Morton added a new dimension that rivaled the creative genius of Innis by stressing the interdependence of our two northern ecoregions: the southern section constituted the heartland and mid-Canada was a hinterland. This interpretative theme of an enduring north-south relationship completed the vision of Innis' political economy. The Canadian Shield not only claimed that mid-Canada was central in Canadian history but goes further.⁷⁷ Morton declared that the first orientation of Canadian historiography was this interaction between the southern heartland and its northern frontier in mid-Canada. It is a story of "a distinct and even a unique human endeavour, the civilization of the northern and arctic lands."⁷⁸

History is neither neat nor categorical; it defines by what is central, not by what is peripheral. And because of this separate origin in the northern frontier, economy, and approach, Canadian life to this day is marked by a northern quality... The line that marks off the frontier from the farmland, the wilderness from the baseland, the hinterland from the metropolis, runs through every Canadian psyche.⁷⁵

The identification of pervasive and enduring relationships between the hinterland, heartland and metropolitan centres is the most complete expression of the continental staples thesis. The exploitation of staples in mid-Canada was a permanent feature of economic life for hundreds of years. Hinterlands were exploited by a heartland located in ecoregions suitable for agriculture. They acted as intermediaries with the international economy and supplied the necessities of life. However, Morton's concept of interdependent metropolitan - heartland - hinterland societies was not deterministic. It was neither a one-dimensional application of the frontier thesis nor geographical environmentalism. There were no "antithetical dichotomies between environment and culture," only graduated relationships.⁷⁶ Cultural inheritance was not buried as it was in the Turner thesis. Morton's themes gave equal significance to "the transplantation of economic, political and social institutions from older settled areas to the frontier."⁷⁷ He did not portray it as an imperialist expansion of European powers or older societies in the East. Morton's writing reflected Innis' political economy that stressed the relationship between ecology, culture, communication and civilization. The interplay

between an agricultural south and the wilds of mid-Canada was important in Innis' narrative. But Morton's depiction was more universal in its application.⁷⁸ Little wonder that both scholars saw this geographical reality as the foundation on which the institutions of the country were built. Morton's refined statement of this relationship also provided the economic reality for the constitutional arrangements in Confederation that created the interaction of different regions in the new federal system.⁷⁹

Northwest Atlantic Fisheries and Imperial Political Economy. Innis' publications up to 1935 were concerned with continental staples such as fur, timber and frontier mining but his focus soon shifted. Few scholars outside the Toronto School wrote extensively on Canada's role in the imperial political economy of European societies. However, Innis' ever-growing knowledge of the social sciences and his close relationship with Charles Fay fuelled this new ambition and the scope of his inquiries. Fay fashioned his academic career by viewing economic history through the lens of Smithian political economy, and as such he was representative of the imperial school of political economy prevalent at the turn of the century.⁸⁰

Innis never accepted the narrow interpretation of Adam Smith held by economists in the USA, but he did embrace the deeper understanding of British scholars. For Innis, Adam Smith represented the pinnacle of economics as a human science.⁸¹ Smith's understanding of economic culture is significant because this concept became foundational in all of Innis' writing. He viewed Smith's opus magnum *The Wealth of Nations* as a grand vision of the broad cultural character of societies at different stages of development. Smith "saw the contrasts between the civilizations of Rome and Greece and of Scotland and England."⁸² Innis also interpreted *The Wealth of Nations* "as a work in letters rather than economics."⁸³ It represented the birth of human sciences in the English-speaking world that became embodied in writing of British economic history. Like Smith, Innis saw himself as a generalist whose analysis relied on a historical perspective. Innis' colleague view him first as a political economist his "deepest, most unfailing, and most passionate loyalty was to history — the past brought to bear upon the present."⁸⁴

One can make a strong case that Smith was the first economic historian in the English-speaking world. He examined the impact of expanded trade on industrial and transportation techniques; the cultures of non-European peoples; the institutions of various societies; and the impact of geography on American economies. He combined these insights with the emerging market economy in the UK and his tirades against monopolies and mercantilism were legendary. Historical illustrations in *The Wealth of Nations* highlight Smith's combination of the inductive and deductive method that eventually became known as the abductive approach. Smith's method was adopted by scholars sceptical of an *a priori* approach of mainstream economics and appreciated "an *a posteriori* approach along the solid causeway of objective facts."⁸⁵

Smith's political economy paid little attention to state formation or its capacity to directly shape a nation's economic growth and development. However, it was capable of creating the conditions for the wealth-creating capacity of economic society. Smith believed that the UK developed a sophisticated system of ordered liberty which allowed for the emergence of an efficient market economy. Smith's assigned only three duties to the sovereign or commonwealth. The primary responsibility of a sovereign was to protect "the society from the violence and invasion of other independent societies" with a strong military establishment."⁸⁶ The second duty was the protection of "every member of society from the injustice or oppression of every other member of it."⁸⁷ The final obligation was the erection and maintenance of public institutions and public works.⁸⁸ The prosperity of the realm also required the Crown to facilitate commercial exchanges in domestic and international markets.

One of the prominent features of British trade policy was the *Navigation Acts* designed to curb the seventeenth-century domination of Dutch maritime trade.⁸⁹ This system had been in place for over a hundred years when Smith wrote *The Wealth of Nations*, and he proclaimed that mercantilism was not favourable for economic growth and development.⁹⁰ However, national security was paramount and commercial policies between Britain, its colonies and their European rivals were secondary. Sovereign power trumped opulence in Smithian political economy. In a dangerous world where every country pursued mercantilist policies, Britain's *Navigation Acts* were "the wisest of all the

commercial regulations” and “of much more importance than opulence.”⁹¹ Smith even supported modest bounties for the manufacture of goods necessary for national defense to ensure a secure supply in times of conflict, an exception to free trade in Smith’s imperial political economy. The system outlined by Smith was a compromise between economic prosperity and imperial defense.⁹² His political economy dealt with every aspect of Britain’s trading system, even including sections on the Canadian fur trade and Newfoundland’s cod fishery.⁹³

Influence of Charles Fay. Fay was instrumental in shift Innis’ understanding of the creation of Britain’s imperial political economy. Fay’s unique approach combined two areas of scholarship: the history of British economic thought, and the economic and social history of the UK. Fay would review the economic thought of an era and the doctrine espoused by prominent individuals, and then he explained both factors in shaping Britain’s imperial economy.⁹⁴ His favourite subject was Smith’s portrayal of the mercantilist era. Smith was masterly in his critique of mercantile policies in *The Wealth of Nations*. He analysed the motivation and interaction of forces in a comprehensive manner as they actually operated in economic society. Fay viewed Smith as a ‘liberal imperialist’ who favoured free trade within the British Empire. He saw great merit in the Navigation Act and he advocated of a political imperial federation of the English-speaking world.

Charles Fay returned to Cambridge University in 1931 and was the inaugural speaker of the Beit Lecture on Colonial Economic History at Cambridge. His lectures were published as *Imperial Economy: Its Place in the Formation of Economic Doctrine, 1600–1932*, in which he made several references to Innis’ contribution to imperial economic history.⁹⁵ He highlighted Innis’ belief that Canada remained under British control because its staples-oriented economy was tightly integrated with the global interests of the mother country.⁹⁶ Fay also referred to a manuscript written by Harold Innis. The title, *The Codfishing Industry: An Introduction to the Economic History of Newfoundland*, suggests a more modest project than the one he published several years later.⁹⁷

Outline of The Cod Fisheries. It is my contention that Innis’ staples thesis consists of two distinct variants. Each reflects the fundamental geographic realities of continental and maritime hinterlands

serving the interests of metropolitan centres. Innis observed that geography's contributions to date were too narrow in scope.⁹⁸ His new research project focused on the ecoregions along the seacoast of the Northwest Atlantic and adjacent continental territories.⁹⁹ Innis wrote his staples classic of continental hinterlands for a domestic audience and is subtitled "An Introduction to Canadian Economic History." As noted above, Innis' original intention for his second book was an economic history of Newfoundland. He developed an interest in this region that started modestly with two articles in 1931 that provided an overview of Atlantic fisheries and sought "to apply conclusions reached in a study of the fur trade."¹⁰⁰ Further research resulted in *The Cod Fisheries* in 1940, an expanded version of his early manuscript and one written for the academic community outside Canada.

This was an era when American historian such as Herbert Bolton urged a broader perspective in writing national histories. Bolton's 1932 presidential address urged more scholarship employing comparative histories. It was delivered in Toronto at the first conference of the American Historical Association held outside the USA. Bolton claimed that there were similarities in the nation-building process of former colonies within the Western Hemisphere.¹⁰¹ National histories would have clearer meaning when compared to similar developments elsewhere and could now be seen as a thread in the broader histories of the Americas."¹⁰² Historians in the USA were also re-evaluating their own pre-Revolutionary history in the 1930s.¹⁰³ For example, a new imperial school of colonial history re-assessed the political economy of the American colonies and no longer saw Britain's mercantile system as a negative factor in its early development.¹⁰⁴

The Carnegie Endowment funded Innis' book as part of a larger project to promote a better understanding of Canadian and American relationships by stressing shared interests and peaceful relationships. The editor of the Carnegie series identified *The Cod Fisheries* as an original contribution to North American history. In it, Innis viewed the ocean as a North American frontier that few as a "fundamental part of the continent."¹⁰⁵ Innis wrote *The Cod Fisheries* with the same passion for detail and sweeping conclusions as his continental staples thesis. There are similarities in the two studies though there are also differences. His classic study of the fur trade began with the first contact of

Europeans with Natives, traced its expansion into the interior, its spread west westward to the Pacific coast, and the final migration that ended in the Far North. The harvesting of wildlife from sea to sea to sea is a common thread that defined the economic life of the new nation in all regions. Famous people, events, processes and patterns are examined in relation to long-term developments at local and global levels, and Innis' study of the Atlantic fisheries followed the same pattern. The recorded history of the fishery in Innis' account starts with the discovery of Newfoundland by John Cabot in 1497. This event was the starting point in *The Cod Fisheries*, which gradually expanded to comprise the Northwest region of the Atlantic Ocean.¹⁰⁶ Over time, this ecoregion assumed a strategic position in an imperial economy that stretched around the globe. Its importance rose for decades until the mid-1850s and declined after that. In the final decades leading up to the 1930s, it began an unceasing retreat that ended when "an Anglo-Saxon population accepted the verdict that responsible government should be dispensed with as a constitutional nicety."¹⁰⁷

Innis' second staples classics again placed ecological considerations at the centre of his analysis. A sound knowledge of marine ecosystems and an understanding the behaviour of cod improved the yield of fishermen.¹⁰⁸ The maritime topography of coastal areas and the continental shelf played a prominent role in Innis' study. This physical reality was indispensable for Newfoundland and its geographical isolation contributed to its reliance on the sea and its political independence. Metropolitan centres played a crucial role in both staples classics, but Innis recognized that the development of European societies was influenced by hinterlands. In the introduction to *The Cod Fisheries*, Innis declares "European civilization left its impress on North America through its demand for staple products and that these in turn affected the success of empires projected from Europe."¹⁰⁹ Innis' purpose was the study of this interdependent relationship between the centre and margin of imperial systems.¹¹⁰ As before, ecologies in the Western Hemisphere played a significant role in serving the interests of metropolitan economies. The distinct ecologies of the fishing grounds in the Northwest Atlantic created a complex interdependence between aquatic life forms and the European fishery. Fleets sailing from ancient ports had to understand the timing of cod's movement from spring

breeding grounds along Newfoundland's coast to offshore fishing in other seasons.¹¹¹ The cod around Newfoundland were richer, more gelatinous and easier to cure with sunlight and salt than those found elsewhere.¹¹²

Impact of Atlantic Economy on the UK. Innis used primary documents, old secondary sources and statistical information in his study of the fisheries. He had also acquired an intimate knowledge of Adam Smith's political economy and his strong opposition to monopolies. Both admired the "flexibility of the British common law tradition" which made them more adaptable to changing conditions.¹¹³ Innis referred to several passages in *The Wealth of Nations* that highlight Smith's insights into topics such as competition, market development, monopoly and precious metal currency. Innis understood that continental and maritime staples provided an external stimulus that helped transform economic society in Europe. He quotes Smith's statement that "the violence of the feudal institutions could never have effected, the silent and insensible operation of foreign commerce and manufactures gradually brought about" without the profound impact of the Americas on Europe.¹¹⁴ The international economy provided the external stimulus for Europe's urban and manufacturing development. This enlarged market transformed feudal manufactures into a proto-industrial economy directly linked to overseas markets.¹¹⁵

Britain's expansion came at the expense of their European rivals. Innis was interested in the external factors that contributed to the collapse of French America. Innis believed the weakness of the French Empire lay in its organization and a propensity to stretch its limited resources over vast territories. Innis follows Smith's denunciation of chartered companies that stunted the colonial growth. A monopolistic trading system based on furs left the new settlers vulnerable to external threats.¹¹⁶ The Revolutionary War in the American colonies was primarily a political revolution that had the sympathy of Adam Smith and prominent public figures such as Edmund Burke. A new Anglo-Atlantic economy emerged in the second British Empire, which opened the door for Nova Scotia to acquire a new role in the imperial system of trade. Restrictions keeping Americans outside its restricted commercial system boosted Newfoundland's fishing industry and stimulated trade with the British

West Indies. A new merchant class petitioned for self-government and a privileged position in the second British Empire but met with limited success. Persistent struggle with New England eventually turned Nova Scotia away from Empire to Confederation.¹¹⁷ The situation in Newfoundland, however, was different. It achieved representative government and its residents dominated the fishery off its coasts until the middle of the nineteenth century. Newfoundland followed a path of development that differed radically from Nova Scotia's. A reliance on the distant sale of marine products in southern markets led to economic stagnation and the bankruptcy of Newfoundland's government in the 1930s. Its external dependence on Britain and sale of low-quality products in poor countries resulted in the demise of the island economy.¹¹⁸

Newfoundland's fate ended in a similar manner as the Native and Metis communities that depended on the fur trade. Both economic societies operated at the periphery of imperial systems and supplied commodities in distant markets susceptible to global competition. Both suffered the same marginalization when the rest of Canada embarked on the road to modernization. Underdevelopment emerged at the margin while development flourished in the heartland. Unfortunately, Innis did not emphasize these facts, which would have strengthened the ties between the two variants of his staples thesis.

Innis' history of the Atlantic fisheries received a polite but hardly enthusiastic reception.¹¹⁹ For most readers, the book simply retold the old theme of European empires' relentless search for land and commodities. William Mackintosh was the exception. He viewed it as more than a contribution to the history of mercantilism and the influence of commercial policy on political relationships. He outlines Innis' assertion that the fisheries' played key role in the collapse of autocracy in New France, helped trigger the War of Independence in the Thirteen Colonies and was a pivotal factor in the UK's empire in the Caribbean.¹²⁰ Few scholars in Canada or abroad recognized that Innis had written an important chapter in the history of imperial political economy. Even fewer acknowledged the contribution of another Canadian historian, Gerald Graham, which Innis applauded. Graham examined the impact of

the British *Navigation Acts* on BNA from 1783 to 1820. The following summarizes the central theme of Graham's book.

In the history of British colonial policy, the business of development of colonial staples and has traditionally associated with political objectives. British policy not only aimed at encouraging the export of colonial staples such as wheat and lumber, in order to obtain independence of foreign supply, but promoted through preferential duties special shipping routes for the benefit of the British merchant marine.¹²¹

Graham divided his book into four parts, with the focus in each on the role of commercial shipping and naval strategy. In his introduction, Graham quoted at length Adam Smith's declaration that national defense has priority over the economic benefits of free trade.¹²² Graham also examined those influences that resulted in the breakdown of Britain's first empire and reaffirmed the importance the staple trades in rum, wheat, timber, and smuggling in the trading system from 1783 to 1820. Innis lavished praise on Graham's 'meticulous scholarship' and the attention he gave to imperial influences. Other British historians studied imperial history from the vantage point of metropolitan centres, but Innis and Graham were the first Canadians to explore the key role of maritime staples from the perspective of the periphery.

The second generation of the Toronto School continued this tradition by highlighting the steady growth, development and decline of hinterland economies in mid-Canada. Staples-related activities were an integral part of the local subsistence economy and linked to the international trading system through long distance transportation. A textbook by Easterbrook and Aitkin employed Innisian themes in organizing and interpreting historical people, events, processes and patterns in the pre-Confederation era. The northern half of the continent was a landscape for frontier societies at the margin of Western civilization. The first chapter, "The European Background," bears Innis' distinct imprint. The authors declared, "Canada cannot be studied in isolation from Europe or the rest of North America."¹²³ Mercantile policies moulded imperial economies and rivalries among European states shaped the history of North America. The history of northern economic societies "may be fairly described as an extension of European economic and political influence."¹²⁴ Staples-oriented

communities in mid-Canada harvested renewable resources for sale in metropolitan markets. The character of the staple also had an enduring impact on the hinterland economies.

As long as Canada remained simply a source of [natural resources] for more economically advanced regions, the fundamentals of her economic growth may be sought in the physical characteristics of a very limited number of key staples, the techniques borrowed or developed for their exploitation, and the economic and political institutions which emerged to struggle with the problems of a staple-producing economy.¹²⁵

This section examined Innis' maritime version of his staples thesis. Most commentaries overlook or downplay the importance of *The Cod Fisheries*, but I believe it is essential to understand Innis' concept of imperial political economy. Innis and the Toronto School integrated ecological, institutional and technological themes into a 'conservative' political economy specific to the Canadian experience. The staples thesis was an integral part of the Red Tory tradition that found its way into Canada's political economy. The next section gives an overview of the *staple thesis* and the important role it achieved in developing a conservative political economy in Canada

Overview of the Staple Thesis. Innis' staple thesis should not be viewed as a universal theory of Canada's economic growth and development from 1497 to the present. Nor is it a national narrative to interpret the evolution of its political economy. Rather, it is historically-specific to select eras and geographically spaces known as mid-Canada. Innis' classics examined every facet of staples activity in the spheres of production, distribution, exchange and consumption. Geography and the 'character' of staples were key variables in the optimal scale of firms. Both classics uncovered stark differences in the capital structure of the fur economy and maritime fisheries. The fur trade was a transcontinental system with industry-specific overhead investments spread over vast distances. The fixed capital of the fisheries was embodied in mobile vessels and required smaller outlays than the fur trade. The short-term credit of the two staples also differed. The perishable nature of the fishery required a rapid turnover of working capital while continental staples required long-term investments in infrastructure and capital assets. The metropolitan centres of finance played a pivotal role in facilitating the global reach of the British economy. The dominant influence of finance capital in the production of staples permeated the socio-political institutions of hinterland economies. It also changed their fate within the

second British Empire. Innis credited this insight to Adam Smith and his theory of capital structures for various industries. The structure and behaviour of the fisheries fostered short-term credit, which contrasted with the fur trade's demand for long-term investments to support the spatial infrastructure of the trade.

Mode of Production My research demonstrates that the mode of production in Innis' staples thesis was radically different than Turner's agrarian frontier. Both looked at the expansion of economic systems at the extensive margin. Nevertheless, Turner's agrarian frontiers required a mode of production fixed to specific locations. The same goes for Mackintosh's social science for new agricultural regions. His staple economics focused on capital investments in immobile assets that improved the productivity of agriculture at the extensive margin of new world economies. Settler communities fostered local villages that soon grew into towns. Innis used the method of the human sciences to write the history of resource exploitation in mid-Canada. He recognized that these activities required a very different mode of production than agriculture. It was more labour intensive and productive assets had to be transportable. The migratory fishery from 1497 to the late 1700s was a seasonal operation organized by fish-trading companies centred in the UK. The labour force was comprised of indentured servants, employees and superintendents who lived a transitory life in search of cod populations spread along hundreds of miles of coastline. Fishermen established temporary work camps at the beginning of each season. Smaller boats fanned out along the coast to harvest cod and return to base camps with their catch. Outports emerged as permanent residences in the nineteenth century, but the extensive exploitation of marine resources over vast areas continued for centuries. Fishermen rowed or sailed along the coast in small boats to inshore fishing grounds and returned with cod that were then split, salted and dried in camps or outports. These isolated communities also engaged in gardening and hunting to survive. Sealing hunting required seasonal voyages to distant hunting grounds and was similar to the migratory fisheries of earlier ages. Hunting wildlife in mid-Canada required an extremely mobile workforce to identify the habitats of various species. Their capture was essential for their substance. Native bands scoured vast areas to discover new beaver

colonies and track down roaming wildlife. Native peoples had perfected the technique of mobile camp life that Euro-Canadians adopted to facilitate the exchange of furs and skins for foodstuffs and manufactured goods.

The timber camps that sprang up throughout mid-Canada from the Atlantic to the Pacific entered the folklore of Canadian culture. Loggers harvested and hauled trees with horses to collection points during the winter. From there, they floated down the river to manufacturing facilities at transshipment locations in BNA or abroad. These lumber camps were isolated, spartan and built for short periods of intense use. The camps relocated to virgin resources of timber when local supplies dwindled. This transient lifestyle continued when mobile steam engines with cutting blades permitted a deeper penetration into the forested areas of mid-Canada. The exploitation of minerals prior to the new industrialism employed crude techniques. Mining camps in search of gold sprung up in isolated regions far from human settlements. Few transportation and communication links existed, which made it difficult to gain access and to ship mineral products to distant markets. No scientific techniques existed to measure the bodies of ore discovered by prospectors. Techniques of production were makeshift and labour intensive. The workforce lived in temporary living conditions. Once it was set up, miners were relied exclusively on the camp for daily needs. Illustrations of early mining camps can be found in Innis' history of gold rushes and Clark's in-depth analysis of social life in mining communities.

Mobile work camps appeared wherever there was a demand for marine, wildlife, forest or mineral resources were exploited over vast areas that were distant from settled communities. In many cases, the land was a public resource and suffered the consequences of poorly defined property right. New entrants could assess to marine, wildlife and timber resources which resulted in more harvesting than the ecological cycle could produce. Problems associated with poorly defined property rights plagued transportation projects that opened new territories in the fur and timber trades. In the mid-1800s, the construction of canals and railroads required labour intensive techniques that often took place in wilderness environments. Swarms of unskilled labour toiled to build portages around rapids, canals in

remote regions and railroads that opened up mid-Canada and the west. The living conditions of workers were rudimentary and constantly moved as construction moved forward to its completion. It was not the life of the majority of Canadians who lived in the south, but it shaped the character of economic life in the northern half of North America for centuries. The extraction of staples and their transport to distant markets was the basis of BNA's comparative advantage outlined in detail in the final section of the paper.

Innis and his followers were masters at identifying the realities that faced economic societies in mid-Canada. His study of industry structure, competitive behaviour and long-run performance make his staples thesis an important chapter in the history of Canadian economic thought. They were not traditional historians who viewed economic phenomena as unique, singular events. Innis in particular had a flair for isolating the structural uniformities that were essential for the operation of given historical phenomena, as well as the factors that influenced recurring events. Innis' human science advocated a middle road between the divergent paths of the social sciences and the humanities. The basis of Innis' scientific study of markets and their institutions was the 'sediment of experience' that could only be understood by studying history from the bottom up. The habits of individuals were "reinforced in the cumulative bias of institutions" and made it possible to understand historical and current events, and provide insights into an uncertain future.¹²⁶ His leadership made the University of Toronto famous for its studies of Canada's political economy and not the conventional abstract theory that other universities were pursuing. Innis' method combined his knowledge of Canada's past with concrete facts to establish a historical school of political economy. His creative synthesis highlighted permanence in the midst of continuous change. He also identified ordered entities to create taxonomies. His classics were more than a road map of economic life in a northern environment. His staples thesis created new 'objective knowledge' that others could build upon. Scholars should not interpret historical people, events or ideas using the values of contemporary society. Rather, they must seek to discover the purposes of historical actors and how they ordered their lives. They must respect

the actions of historical actors and not judge the past by present conditions. Innis achieved this goal according to his colleague and close friend, the imperial historian Charles Fay:

Could there be such a thing as a Canadian Economics? In Mr. Innis' conception of economic history, Yes. Because his economic history is shot through with objective laws of economic development. State these broadly, remember your Canadian Shield and economic theory emerges. It is not the economic theory of the textbook... [but] something more like what *The Wealth of Nations* was in its day, a distillation of economic essence from the interplay of economic forces and social character. It is a theory which sums up the march of the ages.¹²⁷

Political Philosophy of Toronto School. Innis was no radical reformer or social democrat. He did not favour a bottom-up interpretation of social history but merely acknowledged the immense toil associated with staple-oriented communities at the edge of Western society. Close friends such as William Mackintosh knew that he reluctantly engaged in public policy debates. He did not want to draw “simple conclusions from his historical knowledge, and he harboured suspicions of government policy as such.”¹²⁸ Innis never explicitly stated his political views. However, the following quotation suggests a very conservative understanding of Canada's past. It was a country that had “no revolutionary tradition.”¹²⁹ The Church in Quebec maintained its loyalty to the traditions of pre-Revolutionary France. Loyalist were counter-revolutionaries from the American Revolution and formed the backbone of the society in English-speaking provinces.¹³⁰ A fellow economist at Toronto believed that Innis shared the same political philosophy as the first classical liberal - Adam Smith.¹³¹ Northrop Frye, another colleague of Innis at Toronto, remarked that “the general attitude of Innis is rooted in what is called... old-fashioned liberalism.”¹³² The ‘Preface’ to *Political Economy in the Modern State* gave an explicit expression of Innis' political philosophy. Innis quoted Goldwin Smith with approval, suggestion that he both approves of Smith's ‘conservative’ ideals of limited government and faith in gradual improvements.

The opinions of the present writer are those of a Liberal of the old school ... who looks for further improvement not to an increase of the authority of government, but to the same agencies, moral, intellectual, and economical, which have brought us thus far, and one of which, science, is now operating with immensely increased power. A writer of this school ... will look for improvement... and hope much from steady, calm, and harmonious effort, little from violence or revolution.¹³³

Later in the same volume, Innis claimed that Canada shared a common heritage with the UK because they both were counter-revolutionaries during an age when most countries glorified their revolutionary traditions.¹³⁴ Another clear suggestion of his ‘conservative’ political economy came from his younger colleague Donald Creighton. Few would refute the role of Creighton in developing a ‘conservative’ political history. He and Innis were more than an academic colleague. They developed a sort of kinship with both examining Canada’s historical evolution through the same lens. For Creighton, the death of Innis “deprived me of the support that can come only from a long friendship, based on mutual confidences, common convictions and shared views.”¹³⁵ Both Innis and Creighton shared values that others in the ‘Red Tory’ intellectual tradition held in the middle of the twentieth century.

Creighton was more outspoken than Innis in his opposition to the new ‘liberal’ and ‘socialist’ schools of Canadian history. For Creighton, liberal academics adopted a Whig interpretation of history by studying historical place, people, events and ideas from the standpoint of present interests and values. Historians sought “to explain and account for the present” and “to justify and vindicate it historically.”¹³⁶ Anything that suggested “an origin, anticipation, or promise of some valued feature of contemporary society was emphasized” and “everything that seemed incongruous in the eyes of the twentieth century or incompatible with its standards and values was treated briefly or criticized or explained away.”¹³⁷ Creighton was equally harsh with the historical interpretations of scholars with strong populist, social democratic and Marxian viewpoints. Their ideological perspective prevented them from having an unbiased perspective that the social science strove to achieve. They simply wanted to re-write Canadian history to support their own convictions.

Creighton critique of prevailing schools of history reached across the border. He echoed Innis’ critical assessment of Turner’s frontier thesis. Both believed that it was incompatible with the Canadian experience because of its uni-dimension perspective of western development. It also adopted a nativist view of progress in society. Proponents of the frontier thesis played on the fascination Canadians have for the size and diversity of the country’s geography. An overemphasis on local

and environmental interpretations of history placed human factors in the shadows thereby creating a parochial and superficial form of nationalism. This distracted historians from the ‘conservative’ perspective of Canada’s political economy that was “at once transatlantic and transcontinental.”¹³⁸

Red Tories berated the image of a continuous frontier that captured the imagination of ‘liberal’ elites. For them, new institutions, culture and values emerged from a frontier that created North Americans out of European immigrants. The immediate influence of frontierism awakened an interest in the history of Western Canada and soon articulated a new philosophy of history with its own set of value judgments. Western Canada became “the energizing source of the sound, progressive, democratic forces in the Canadian community.”¹³⁹ According to Creighton, the frontier thesis was an idea based on conflict. It focused on the clash of the interests on the frontier, those in settled urban societies and imperial authorities. Out of this evolved a doctrine of perceived struggle between nationalism and imperialism. The frontier mythology asserted that the edge of settler agriculture was “invariably pitted against the centre of civilization” and portrayed the west as virtuous, “the source of progressive, egalitarian, and democratic forces” confronting a sinister East which was “the home of privilege, reaction, and exploitation.”¹⁴⁰ Creighton’s vision was very different. All of Canada was an integral part “of a general West European-American civilization.”¹⁴¹ The history of BNA was “the outcome of an encounter between the West, the European inheritance and the North American environment.”¹⁴² However, contemporaries regarded these old-fashioned opinions as painful evidence of a colonial mind.

All members of the Toronto School viewed the British constitutional history of the UK to be superior to the experience of the USA. They believed in the central role of monarchical government that is a signature fixture of the Red Tory tradition in Canada. Americans achieved their liberty from the British Empire by revolution but for Canadians the imperial connect was a guarantee ordered liberty. The British Crown was “a free monarchy” and the duty of the king or queen was “to uphold the law.” It fostered

the evolution of parliamentary and responsible government... To be a British subject never meant subjection in Canada... Because Canada arrived at freedom through evolution in allegiance and not by revolutionary compact, it had not a mission to perform but a destiny to work out. That destiny has never been manifest, but always exceedingly obscure. It could not be defined, for by definition it was self-defining. But it has proved to be a destiny to create on the harsh northern half of a continent a new nation, sprung from the ancient traditions of France, nourished in British freedom, and, it must be gladly said, fortified by American example.¹⁴³

New Estimates of BNA's International Economy. My historical reconstruction of the staples approach examined the legacy of the Toronto School. The staples thesis provides a thematic and interpretative framework for the study of long-term trends in the Canadian economy. Little statistical evidence existed in the interwar years to support the broader conclusions of their thesis. They wrote about the history of material culture and institutions from first contact to the twentieth century. Innis and his associates emphasized the impact of imperial economies on the commercial frontiers of northern North America. The revenue earned by marine, wildlife and forest products purchased imports of food and manufactures from the rest of the world. Innis believed that his two theses successfully countered efforts to exaggerate agriculture's role in BNA's international economy. Innis and Morton believed that the economic history of southern BNA could not be understood unless it took into account its symbiotic relationship with mid-Canada. British imperial scholars often viewed their colonies as agricultural settlements that were offshoots of UK's society. This model was appropriate for the American colonies but did not apply to the northern half the continent. Staple commodities from mid-Canada dominated the Innis economy of BNA until the 1850s. The Toronto School wrote of the supplementary role of farming in a northern staples economy.¹⁴⁴ Agriculture was an "instrument of commercial and political empire through its defense of territorial space and trade routes."¹⁴⁵ Native trapping and provisioning were an essential component of the fur trade. Their intimate knowledge of wildlife and logistical support for Euro-Canadian traders exemplified the interdependent nature of this centuries-spanning relationship. In Canada, the marginal status of agriculture in terms of trade stands in sharp contrast to its central role in the exports of the thirteen American colonies. Agriculture was the bedrock of the American economy in the USA, providing a trade surplus to pay for the importation of tropical products and manufactures from Europe.

Innis created a vision of frontier capitalism that was very different from Frederick Turner's depiction of the American west. Innis' objected to the application of Turner's thesis to BNA. The agrarian frontier experience may well have been the "crucible of American culture and nationhood," and the frontier may well have been a place of rebirth, renewal and regeneration in the USA.¹⁴⁶ Turner's research highlighted the USA's independent development from European traditions. Economic society in BNA differed because the life experiences of Euro-Canadians' maintained strong cultural, economic and political connections with Europe.

The southern region of BNA was the only place where Turnerian space could take root, but even this sliver of land "was no more than a discontinuous edge" in the middle of the nineteenth century. It was here that modernity was born among "the bounded, discontinuous pockets of settlement along the southern edge of BNA."¹⁴⁷ Innis' insights allowed him to tell a primal story of how Canadian claimed sovereignty over the second largest land mass in the world.¹⁴⁸ The only common geographical factor in the development of southern Canada was its proximity to mid-Canada and the economic links they established with staple activities. Frontier communities flourished for decades using different techniques of production and various modes of transportation to link peripheral resources with metropolitan markets. This was a common experience throughout BNA, and it was upon these "fractured, discontinuous, and bounded spaces" of southern BNA that Confederation was built.¹⁴⁹ It emphasized the imperial claims to geographical space in mid-Canada and the Far North that were transferred to the new Dominion of Canada long before settler frontiers emerged in the west. Innis' imperial history of BNA focused on staples flowing from mid-Canada over the centuries with agriculture's leading role relegated to few decades following the completion of the CPR.

In the French period, and indeed to 1821, *fishing* in the Maritimes and the *fur trade* on the continent were of *first importance*. Lumbering rises to a position of prime importance in the Maritimes and the Canadas after 1821, and it is only following the completion of a transcontinental railroad in 1885 that *agriculture*, namely wheat, becomes of *first importance*. With the turn of the century, *minerals* and *pulp and paper* are added.¹⁵⁰ [my emphasis]

Here, Innis outlines the fundamental drivers of growth for BNA's international economy from Europe's first contact to the 1920s. This remainder of my paper will assess the merits of Innis' assertions and the chronology of leading sectors. The limited capacity of BNA's agriculture as an export sector until the mid-1800s will be carefully scrutinized. So too will Innis' assertion that marine, wildlife and forest products dominated the international economy up to the mid-1880s. The empirical analysis here builds on my research in my Ph.D. dissertation, but has been expanded for the colonial period. The remainder of this chapter examines the product structure of the BNA's international economy that was not available to earlier generations of staple writers. It employs measures of international competitiveness to confirm or refute the claims of economic historians regarding the structure and transformation of BNA's international economy. This trade data will therefore assist in testing Innis' timeline and provide contemporary scholars with trade statistics for their own research projects.

Commodity Structure of BNA Trade Flows by Major Sector, 1832 to 1959

The trade flows outlined here are based on my Ph.D. dissertation and further research. I will present the trade patterns for the whole of present-day Canada from 1832 to 1854 and 1868 to 2005. Obtaining this trade data required the painstaking construction of large databases to provide accurate estimates of trade flows that were both sector- and country-specific. Researchers now have a concise and consistent profile of BNA exports and imports for a period of one hundred and twenty-eight years. I used the categories of trade developed by the Dominion Bureau of Statistics (DBS) its publications for four decades and extended their time series back to 1832. Only one adjustment was required in what follows.

Identifying an activity's comparative advantage is not an easy task. Historians often use the balance of trade. But the concept of normalized trade balance (henceforth NTB) is a more accurate measure of competitiveness and allows us to determine the rank ordering of goods in BNA's international economy. The sectors with the highest value are the most competitive and those with the

lowest are the least competitive in the global marketplace. My measures, therefore, represent the relative competitive position of each sector vis-à-vis other domestic activities

I did this by first calculating two measures of the NTB to determine the competitive status of each sector. The first is the absolute NTB (i.e., exports minus imports divided by exports plus imports). I used this term above to show that a sector has a neutral balance of trade (i.e., exports equal imports) when the NTB equals zero. When the NTB value is + 1, this shows that Canada did not import any of the goods classified by sector of origin. A value of -1 indicates no exports and a substantial dependence on foreign producers for these goods.

A problem arises from swings attributable to the business cycle or external factors of a non-economic nature. **Figure 1.1** shows that net trade balance (i.e., exports minus imports) was rarely equal to zero. The Dominion had a trade deficit (i.e., $NTB < 0$) for most years from 1868 to 1913 and significant surpluses during World War I and the 1920s. A detailed look at the years 1832 to 1851 in **Figure 1.2** shows that imports exceeded exports in all years. Adjustment to the original trade statistics described below will give us a clear picture of the relative competitiveness of each sector.

Figure 1.1: Unadjusted Normalized Trade Balance (NTB) All Sectors, 1829 to 1929
5 year moving average

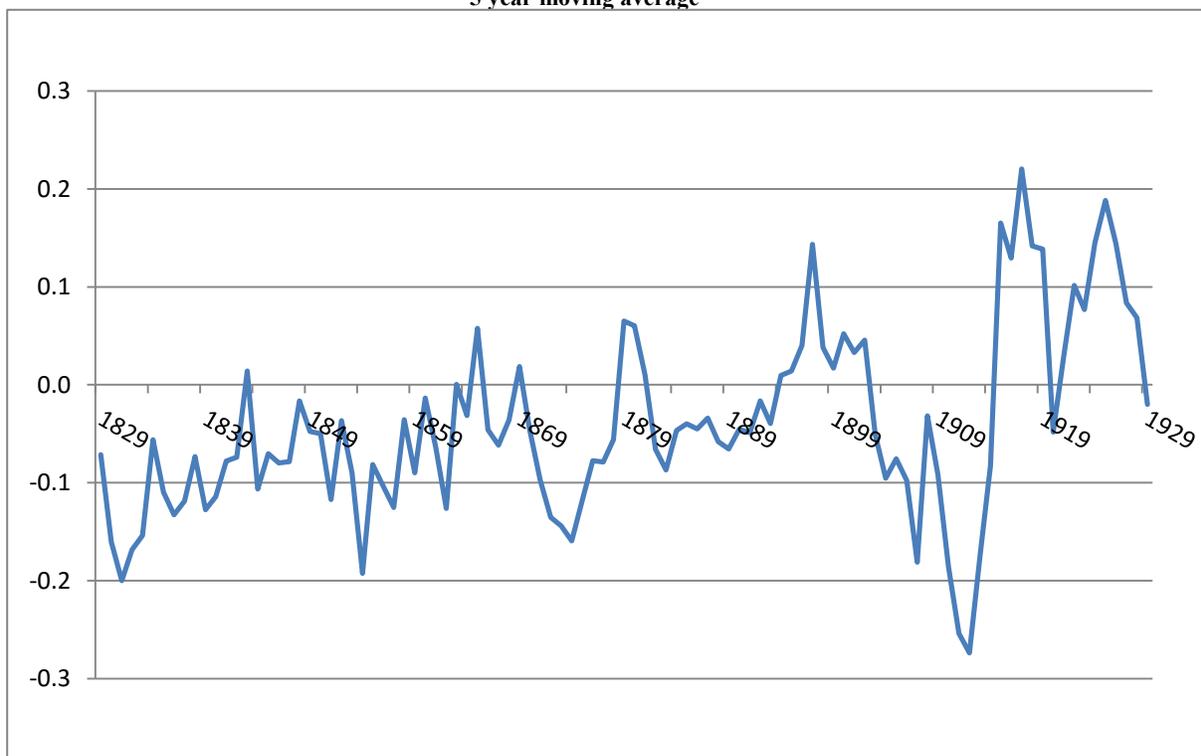
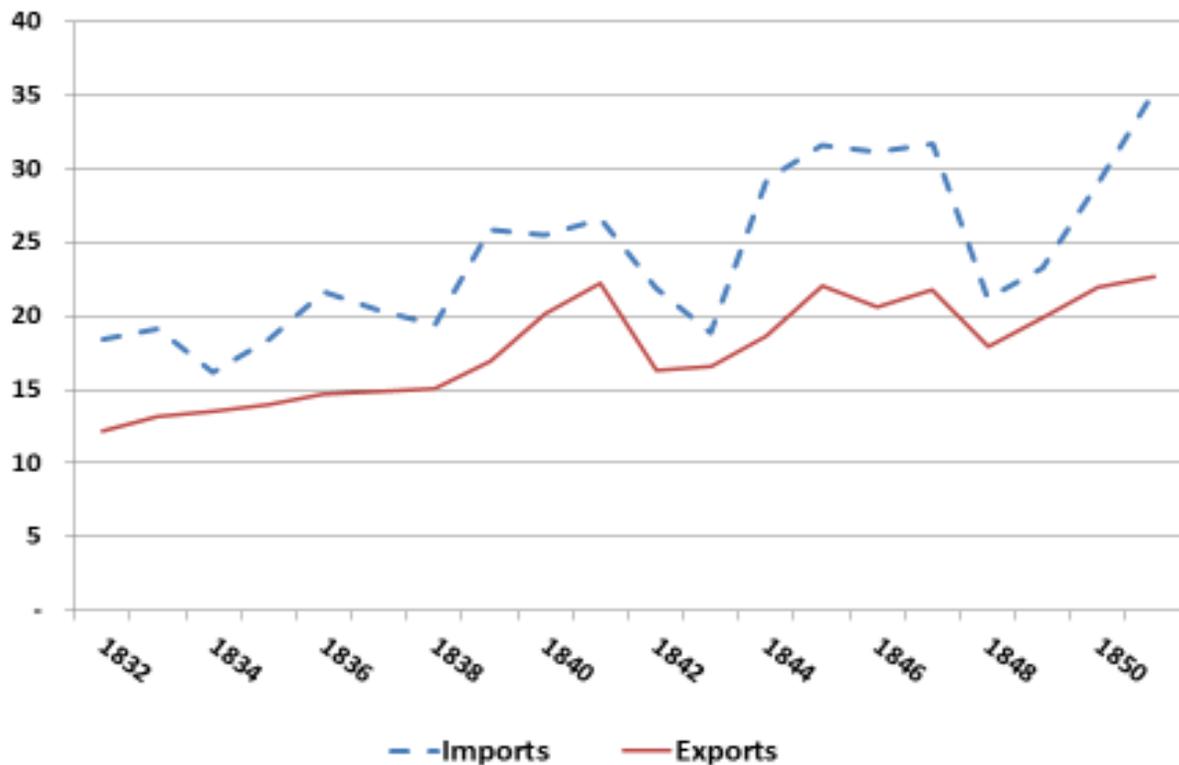


Figure 1.2 :BNA Exports and Imports, 1832-51

000,000s gold dollars



The adjusted NTB is a measure in which the merchandise account is always in balance. This adjusted NTB eliminates any bias due to swings in the overall balance of merchandise trade that occur when other accounts in the balance of payments fluctuate. The second adjusted NTB is also presented as a five-year moving average to smooth large year-to-year movements. The next chapter uses this measure to identify sectors that had a long-term competitive advantage in BNA's international economy, and this information is used to test the assertions of the staples approach.

Trade flows in the Colonial Period 1832 – 1851. The information about BNA's international economy in the colonial period is scattered and incomplete. Some contemporaries used trade statistics from the UK colonial office, but no economic historian to date uncovered the gold mine of trade statistics published in British Parliamentary Papers. The following graphs give a detailed profile of BNA's trade flows as a single unit. **Figures 1.3** and **1.4** show that the UK dominated the trade relationship with BNA but the USA rises in relative importance. The trade data in **Figure 1.5** provide insights into the structural features of BNA's trade flows for the colonial period. Staple

Figure 1.3 : Destination of BNA Exports, 1832 - 1851

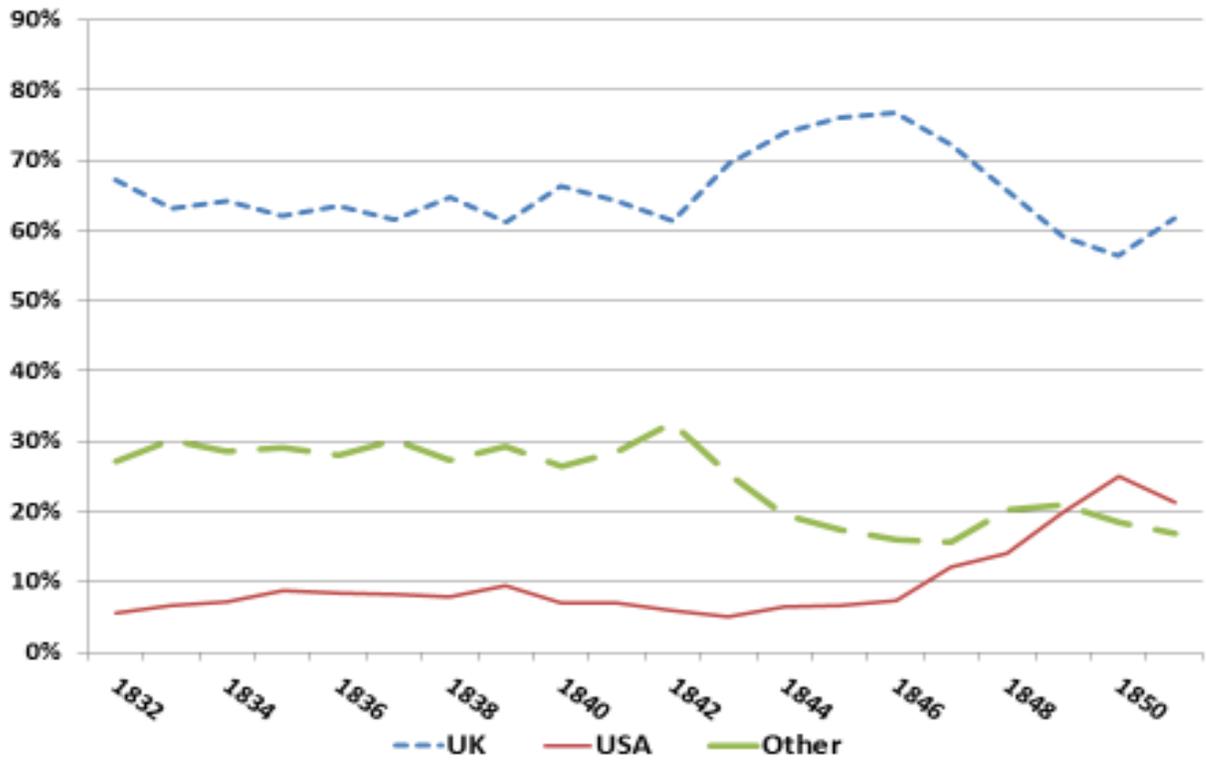


Figure 1.4 : Origin of BNA Imports, 1832 - 1851

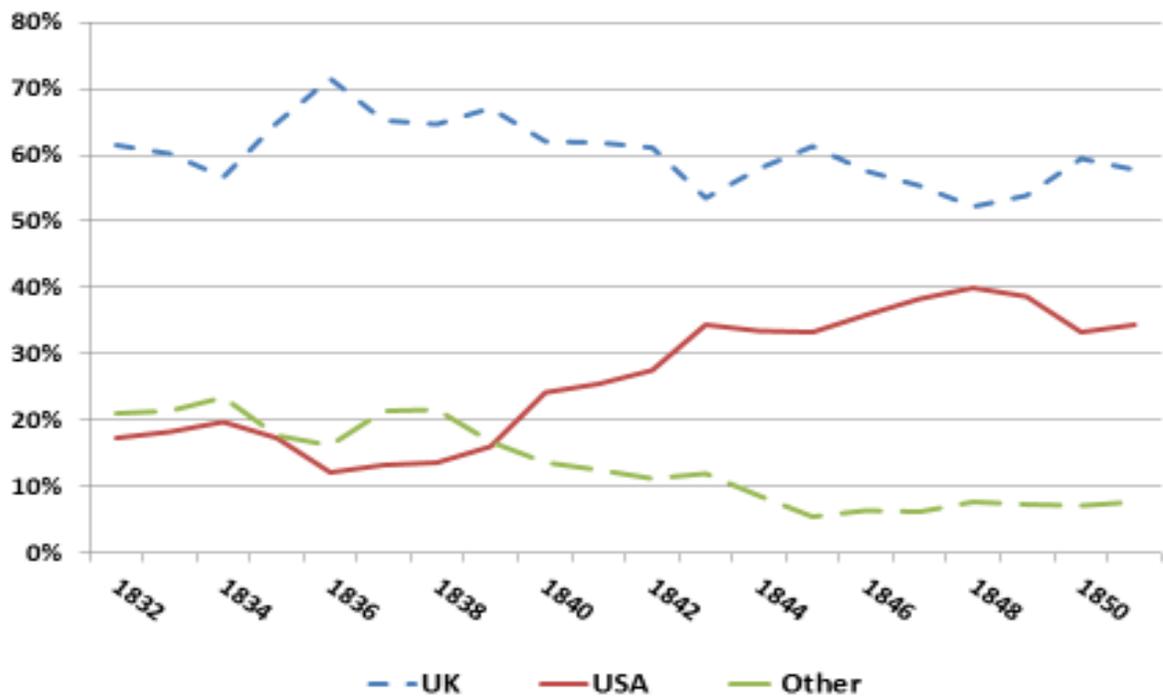


Figure 1.5: BNA Exports by Product, 1832 - 1851

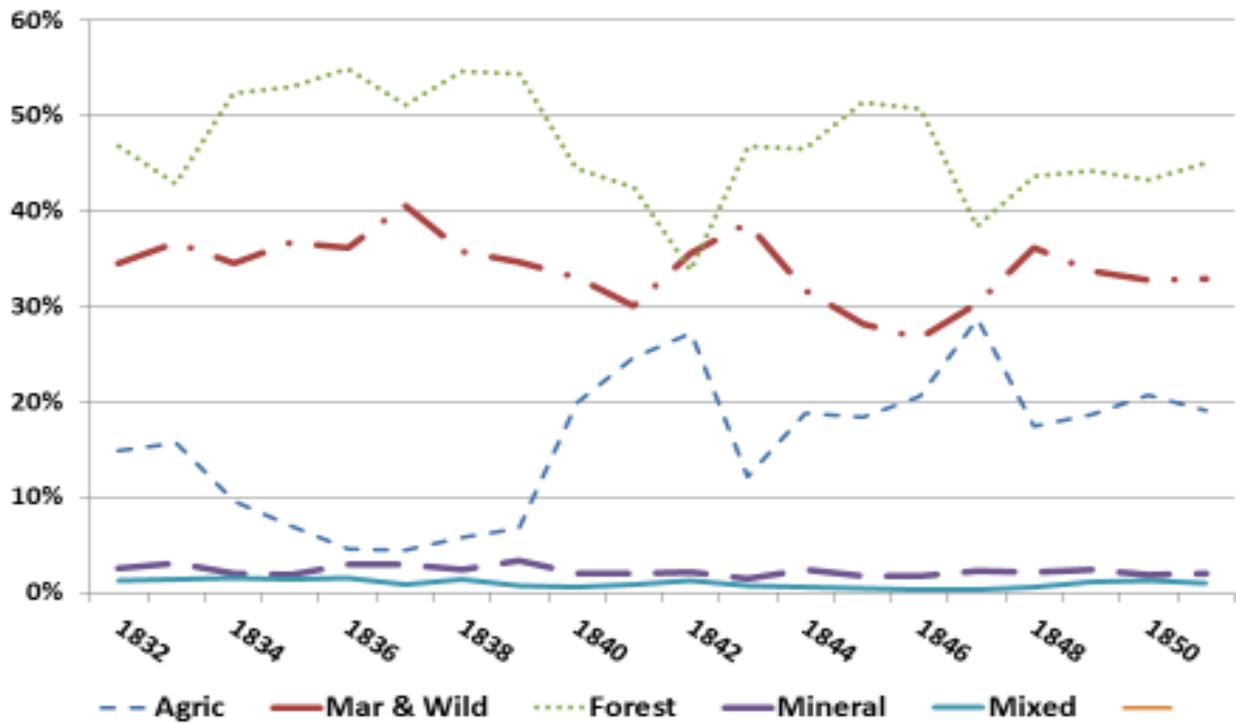
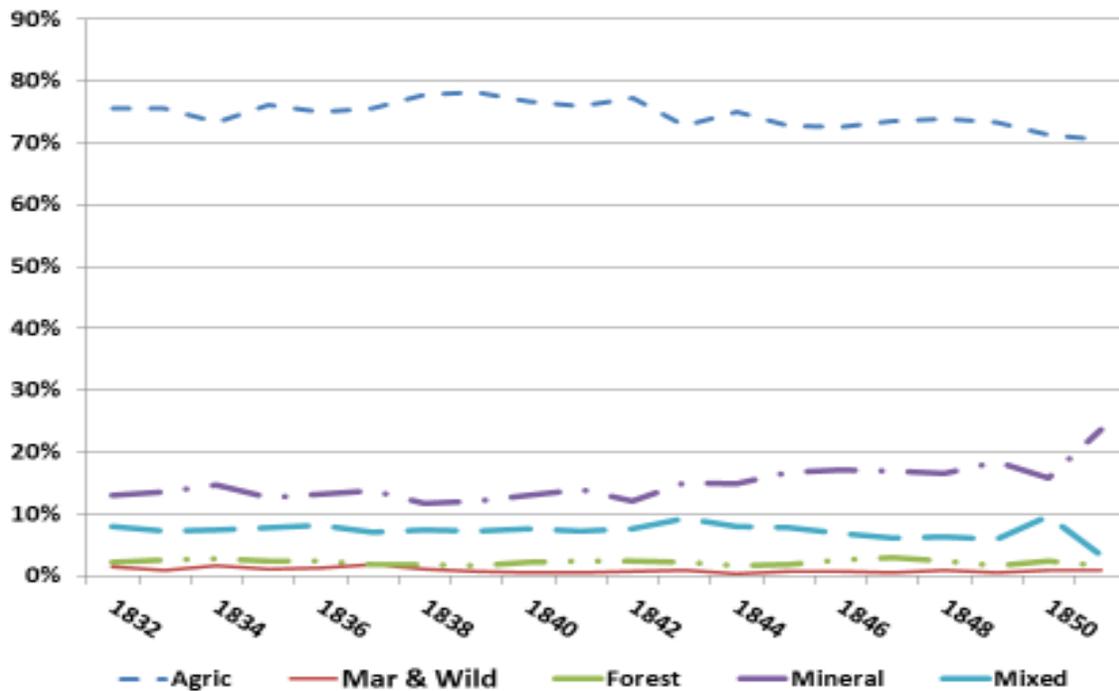
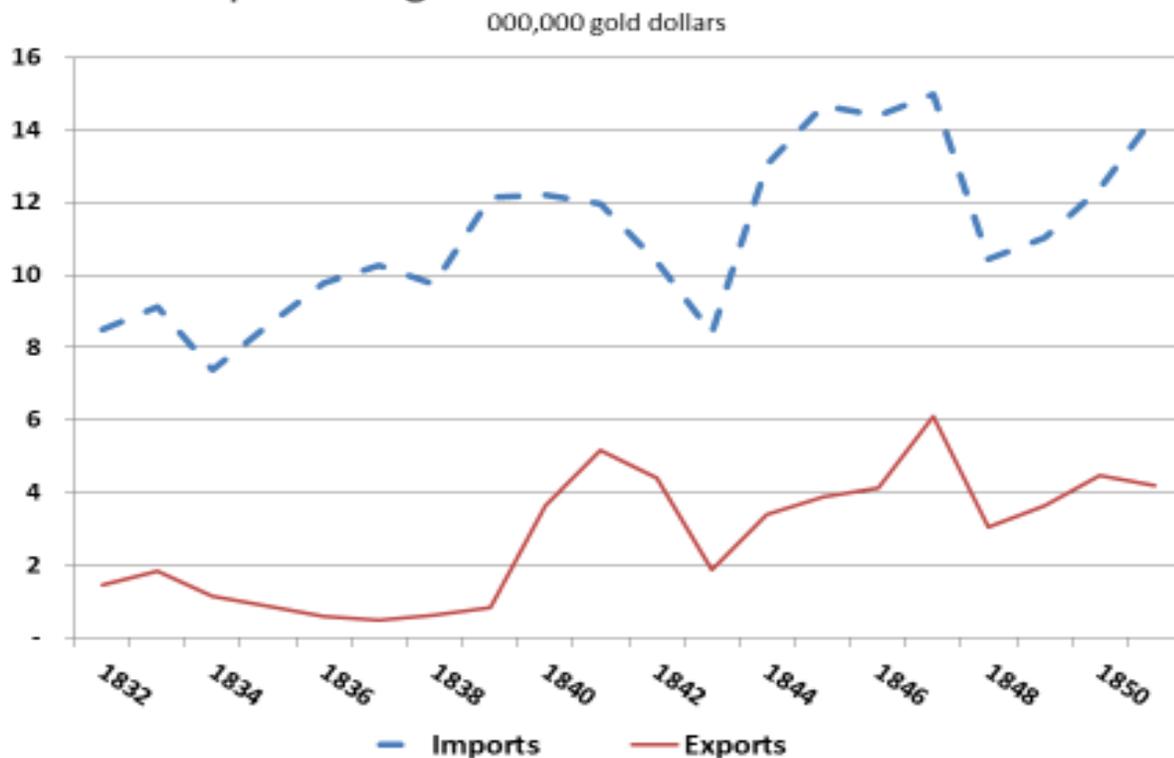


Figure 1.6: BNA Imports by Product, 1832 - 1851



commodities of fish, fur and timber accounted for lion's share of BNA exports in the 1830s. The two products in Innis classic studies, marine and wildlife, declined as major contributors to BNA's export economy with their share falling in direct proportion to agriculture's rise. The ability of the agricultural sector as a whole to meet the food requirements of colonial BNA and the demands for industrial inputs was limited. Exports of mid-Canada staples of forest, marine wildlife products remained high, and agriculture imports were the most important product purchased abroad. **Figure 1.7** shows the balance of trade for temperate agricultural goods. Even in this category BNA had far more imports than exports. I believe that these trade statistics support the claim of the Toronto School that the agricultural sector as a unit was not a leading sector in BNA's international economy throughout the pre-confederation era. But what about the capacity of BNA's agricultural sector to feed and clothe BNA's population. This was an essential function when the majority of the population hovered about the levels of subsistence. Even here, the evidence shows that BNA did not produce these products to support the domestic population. However, long-term trends paint another story for the post-Confederation era examined below.

Figure 1.7: BNA Imports and Exports of Temperate Agricultural Products 1832 - 1851



Long-term Competitive Position for Major Sectors. Figure 1.8 and 1.9 show the long-term pattern of Canada’s export and imports by product. The best measure of a sector’s relative competitive advantage is the adjusted normalized trade balance (adjusted NTB). The formula to derive the unadjusted NTB is the trade balance (exports – imports) divided by the two-way trade flows (exports + imports). All exports and imports represent 5-year moving average. The adjusted NTB eliminates the influence of the wide swings in the trade cycle that the BNA experienced from the 1830s to 1960. Figure 1.10 contains the adjusted NTBs for the five major sectors. The three staples activities of wildlife, marine and forestry consistently outperformed the other three sectors by a wide margin. Agriculture’s adjusted NTB was extremely low in the 1830s but gradually drifted upward to positive values around 1910. Its adjusted NTB never rose above .15, which gives little support to the hypothesis that this sector was ever the driving force in shaping BNA’s international economy.

Figure 1.8: % of Total Exports by Sector, 1832 – 2010

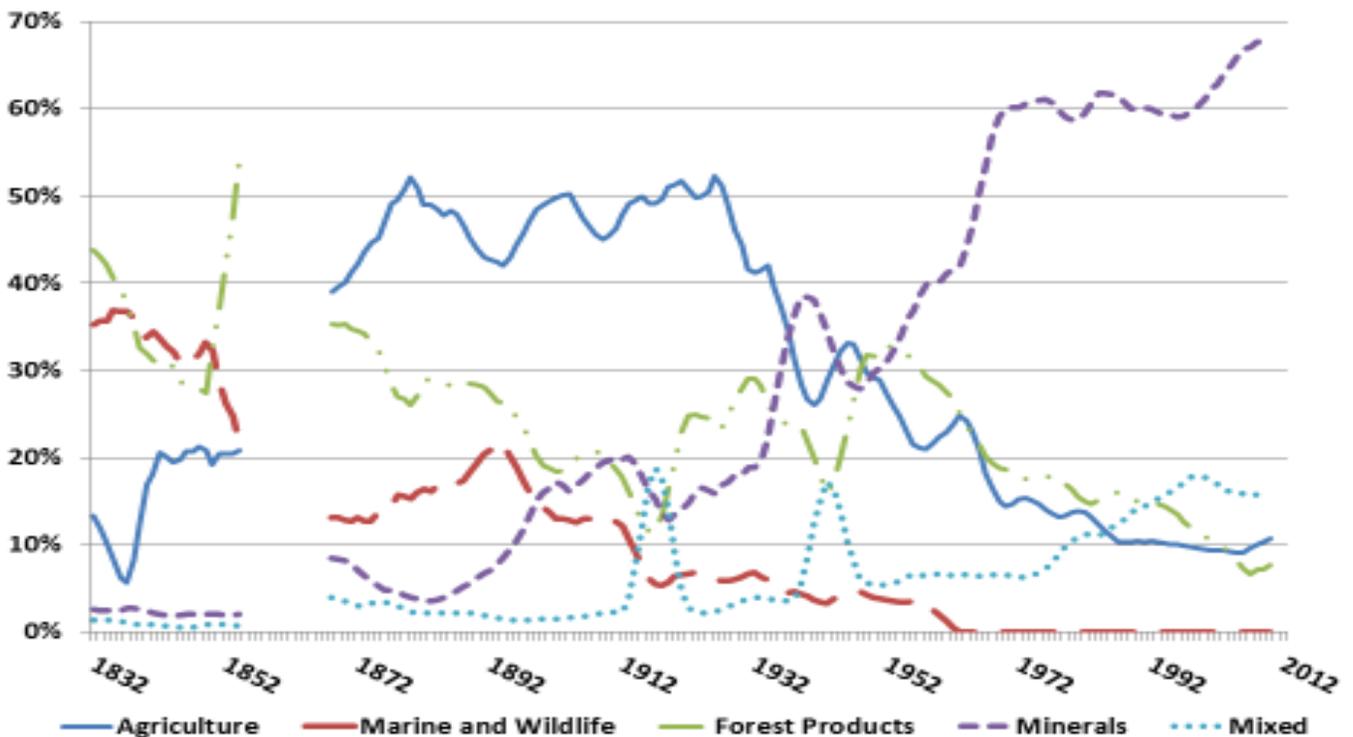


Figure 1.9: % of Total Imports by Sector, 1832 – 2010

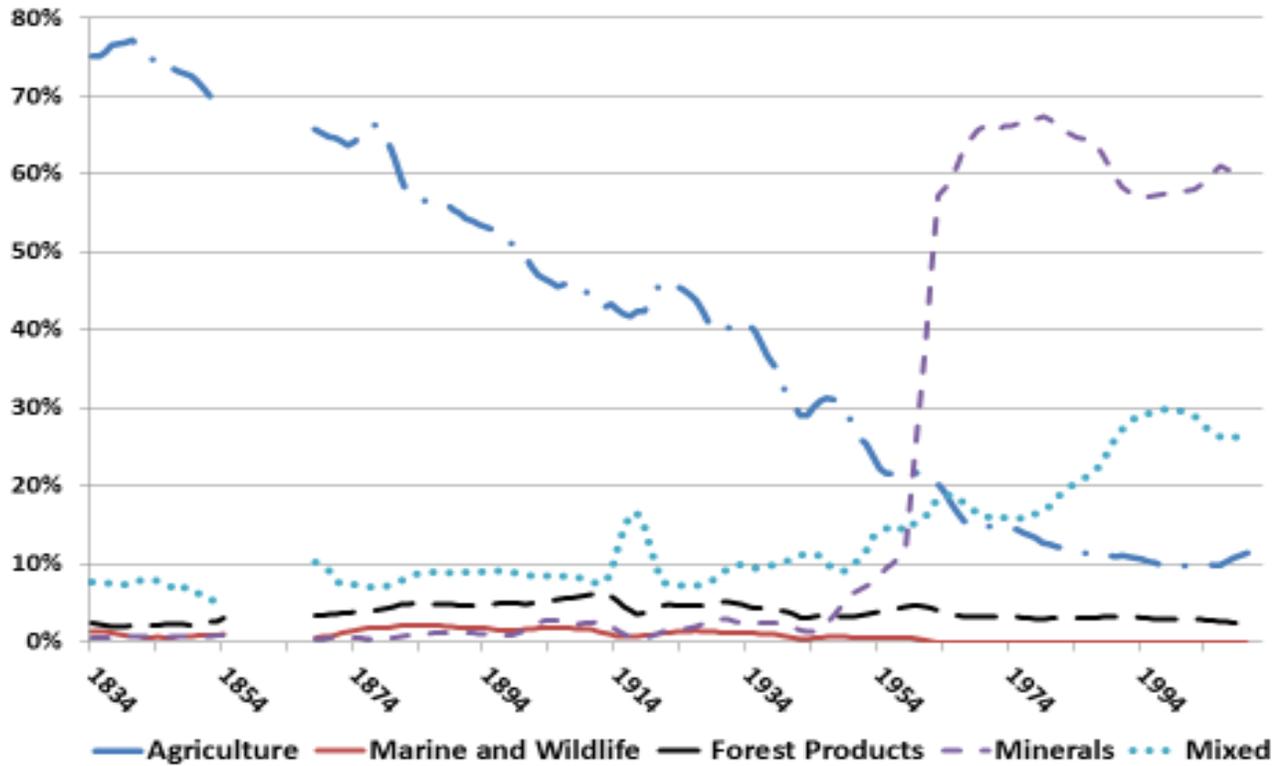
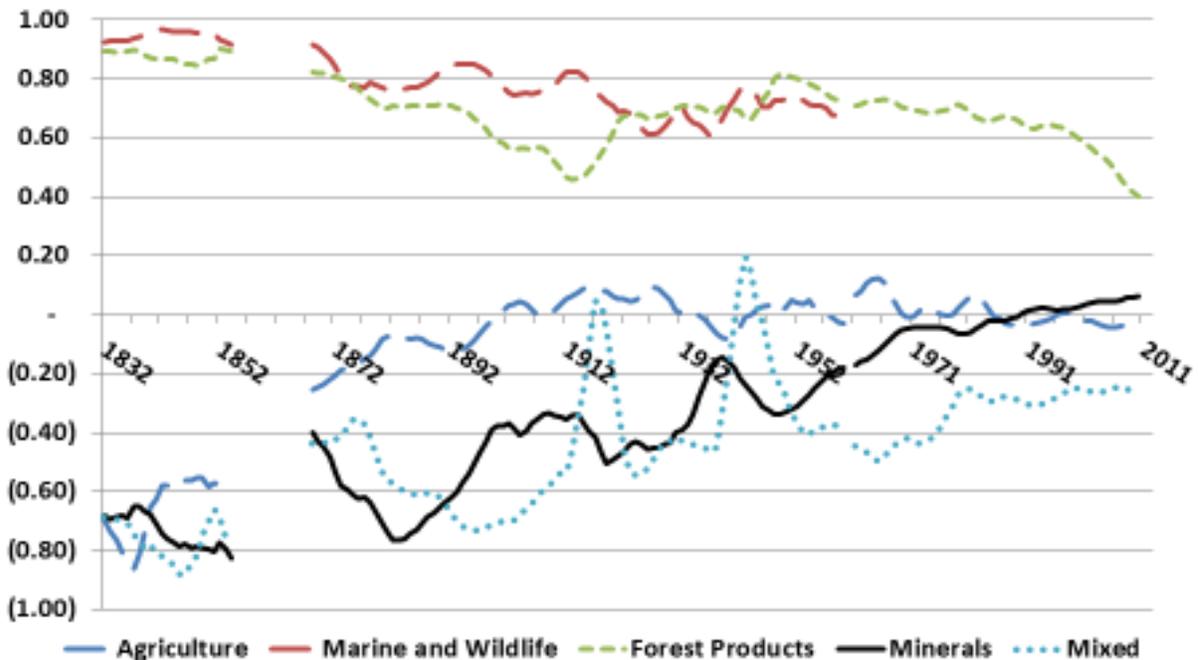


Figure 1.10: Adjusted NTB for Major Sectors 1832 – 2010
5 year moving average



Minerals and mixed products only rose above zero in World War I. The next section looks at the long-term trends within each sector to gain a better understanding of general trends. Particular attention is given to agriculture because of its relative size in BNA's international economy and its contents

The forest sector consistently performed well so it can definitively be classed as a dynamic activity of BNA's international trade for the years under study. The marine and wildlife sectors also performed well throughout decades. Agricultural goods hovered around the adjusted NTB value of zero in the post-Confederation era, and newer emerged as an activity with a strong competitive position. Minerals were consistently below zero until the 1980s two decades after it became Canada's largest exporter.

My detailed study covers an era when epochal changes occurred in the structure and geographical orientation of BNA's international economy. My data shows that the assertions of Innis' staples thesis are valid at least up to the 1870s. Frontier agriculture may have produced episodic trade surpluses for short periods in the late 1850s and 1860s, but it was never the engine of growth. We now have sufficient evidence to reach a conclusion about the role of agriculture in BNA's international economy. These trends confirm that agriculture was not a leading sector in the colonial era despite the fact that farming was the predominant occupation for the Euro-Canadian workforce. Historians such as Vernon Fowke claimed that agriculture was subordinate to staple activity until the 1840s. The economic meaning of this statement is not as dramatic as it sounds. He simply stated that economic conditions in BNA were such that farming communities and related manufactures did not have the capacity to feed and clothe its population.

Implications of New Trade Statistics for Innis' Basic Propositions

Earlier chapters and my summary at the start of this chapter outlined the claims of the two staple approaches that explained the fundamental character of Canada's international economy. Forests, fish, fur and sporadic gold rushes were the driving force in Innis' expanding frontier from sea to sea to sea. The staple exports of mid-Canada earned the foreign exchange required to purchase industrial goods from abroad that were consumed in southern economies and mid-Canada. The role of domestic agriculture and urban-based manufacturing in southern Canada was supplementary to northern staple

communities. The principal theme for BNA differed radically from the USA, which experienced a series of settler frontiers and was also central to the Queen's School of economic history.

I compiled a sufficient amount of statistical information to identify the competitive positions of each sector based on the origin of a product. Details at the industry-level reveal show differing patterns within each sector and require qualified generalizations about BNA's international economy. These trade statistics allow me to answer two important questions. First, is Innis and Morton's characterization of BNA's economic life in the nineteenth century accurate? Second, did these features of economic life of mid-Canada represent the long-term pattern of economic development, or did fundamental changes in the structure and performance of the international economy take place? My overview of BNA's exports and imports uses a two classification systems that the DBS employed from the end of World War I to 1960. My own research extends this series back to the 1830s which permits me to make several observations.

The staples approach focused on the international economy of communities in mid-Canada that produced furs, fish, timber and quartz gold. Buckley believed the staples approach was not relevant past the 1820s but my analysis suggests that this was not the case. A single-minded staples approach with a focus on exports gives insufficient attention to domestic and non-trade activities. It does not adequately account for Canada's overall growth and development by the middle of the nineteenth century. Another model was required to explain the complexity of an emerging industrial and urban economy. Its account for the growth of non-staple sectors is also inadequate. Another shortcoming of the staples approach was the lack of attention given to domestic supply-side factors. This was especially true for regions with no booming export sector. My own critique of the staples approach does not challenge the key features of the staples thesis but rather seeks to strengthen its appeal. Any thesis must prove its assertions so readers can judge the merits of its claims. Harold Innis included statistical information in his historical accounts of staple exports, but he provided no systematic profile of Canada's international accounts. The Queen's School embraced the theoretical insights of the 'new' international economics of the era to explain trade patterns in the post-Confederation era. The Toronto

School ignored these insights and failed to counter this initiative with their own trade data for the colonial period. My analysis begins to redress the omissions of the Toronto School and provides empirical evidence to assess the merits of the staples thesis and when its explanatory power diminishes.

It is my belief that the Klondike gold rush marks the passing of the staples thesis as an explanatory model of Canada's international economy. Innis' staple thesis no longer maintained the permanent features of the old staple trades that relied on location-specific solutions to extract resources for distant markets. The staples approach is rarely used by today's economic historians to explain the economic growth and development of Canada's economy in the twentieth century. Efforts to extend the staples theme to industrial staples is neither accurate nor does it have any real relevance in the twenty-first century. What is needed is a sophisticated *General Theory of Transformation Growth and Development* that goes beyond this framework. My research will hopefully provide a platform to achieve this lofty goal of developing a framework that builds on the tradition established by the old political economy and my empirical analysis.

Endnotes for Research Paper

- 1) W. Easterbrook and M. Watkins; 'Introduction.' Approaches to Canadian Economic History, Vol. 31 (Montreal and Kingston: McGill-Queen's University Press, 1967), pp x
- 2) Michael Gauvreau; 'Baptist Religion and the Social Sciences of Harold Innis.' Canadian Historical Review Volume 76, no. 2 (June 1995), pp 180.
- 3) H. A. Innis; 'The Teaching of Economic History in Canada' in Mary Q. Innis (ed); Essays in Canadian Economic History, pp 12.
- 4) H. A. Innis; The Fur Trade in Canada, pp xvii.
- 5) Ibid, pp 6.
- 6) Ibid, pp 383.
- 7) Ibid, pp 286.
- 8) V.C. Fowke; 'The National Policy: Old and New' in the Canadian Journal of Economic and Political Science (August 1952), pp 272.
- 9) H. A. Innis; The Fur Trade in Canada, pp 390.

- 10) H. A. Innis; The Fur Trade in Canada, pp 393.
- 11) Many descriptions of this animal are available in early French accounts and later treatises. See H. A. Innis; The Fur Trade in Canada, pp 3-5.
- 12) H. A. Innis, Select Documents in Canadian Economic History, 1497-1783, pp xxix.
- 13) Ibid, pp 448.
- 14) Arthur Ray 'Introductory Essay' in H.A. Innis; The Fur Trade in Canada, printed in 1999, pp v.
- 15) Ibid, pp vii.
- 16) Ibid, pp xvi.
- 17) Ibid, pp xvi.
- 18) Ibid, pp xvi.
- 19) B. Brebner; 'Harold Adams as Historian' in the Annual Report of the Canadian Historical Association (1953), pp 14.
- 20) D. Creighton; Towards the Discovery of Canada, pp 20.
- 21) Carl Berger; The Writing of Canadian History, pp 212.
- 22) D. Creighton; Commercial Empire of the St. Lawrence, 1760-1850 (Toronto: Ryerson Press, 1937).
- 23) Ibid, pp 14.
- 24) Ibid, pp 6.
- 25) Quotations regarding the critical role of the Canadian Shield can be found on pp 5, 6, 349. See also pp 163 -64.
- 26) Ibid, pp 5.
- 27) Ibid, pp 5.
- 28) Ibid, pp XIX.
- 29) Ibid, pp 16.
- 30) Ibid, pp 16.
- 31) Ibid, pp 16.
- 32) Donald Creighton; Towards the Discovery of Canada, pp 62.
- 33) Donald Creighton; The Empire of the St. Lawrence, pp 30, 382**

- 34) Ibid, pp 382.
- 35) See the 'Interview with Donald Creighton' in M. Cross; The Frontier Thesis and the Canada's: The Debate on the Impact of the Canadian Environment (Toronto: Copp Clark Publishing, 1970), pp 41 - 42.
- 36) Ibid, pp 62.
- 37) H. A. Innis and A. Lower; Select Documents in Canadian Economic History, 1783 - 1885, pp 7.
- 38) A. Lower; 'The Trade in Square Timber' in Contributions to Canadian Economics (1933), pp 40.
- 39) A. Lower; "The Assault on the Laurentian Barrier, 1850-1870" in the Canadian Historical Review (December 1929), pp 294.
- 40) Ibid, pp 294.
- 41) Graeme Wynn adopts a similar analytical approach using historical and social geography in study of the New Brunswick from 1800 to 1850. See Graeme Wynn; Timber Colony: A Historical Geography of Early Nineteenth Century New Brunswick (Toronto: University of Toronto Press, 1981).
- 42) A. Lower; Settlement and the Forest Frontier in Eastern Canada, in W.A. Mackintosh and W.L. Joerg (eds); Settlement and the Forest and Mining Frontiers, pp 4.
- 43) Ibid, pp 4 – 5.
- 44) A Canadian student, Robert McKenzie, became a disciple of Robert Park and an influential member of the Chicago School of Sociology. McKenzie's dissertation was completed in 1923 and "it became the model that Chicago sociologists employed to explain the spatial structure of all communities." His contribution to the development of the social theory of human ecology was considerable. McKenzie's article entitled 'The Ecological Approach to the Study of the Human Community' provides insights into his understanding of ecological science. Marlene Shore summarizes his ideas in The Science of Social Redemption, pp xiv, 108 and 109.
- 45) Roderick McKenzie; 'The Concept of Dominance and World Organization' in the American Journal of Sociology (Volume 13, 1927), pp 28– 42.
- 46) Carl Dawson; 'Population Areas and Physiographic Regions' in the American Journal of Sociology, (Volume 13, 1927). See also C. Dawson and W. Gettys; An Introduction to Sociology (New York: Ronald Press, 1929), pp 178- 89.
- 47) Ibid, pp 151.
- 48) Carl Berger; The Writing of Canadian History, pp 163.
- 49) See S.D. Clarke; The Social Development of Canada: An Introductory Study with Select Documents (Toronto: University of Toronto Press, 1942).
- 50) Carl Berger; The Writing of Canadian History, pp 165.
- 51) H. A. Innis; The Fur Trade in Canada, pp 385.

- 52) A full summary of his portrayal of the role of agriculture in Canadian history can be found in Vernon Fowke; Canadian Agricultural Policy: The Historical Pattern (Toronto: University of Toronto, 1978), pp 272-73.
- 53) Ibid, pp 4.
- 54) Ibid, pp 4.
- 55) Vernon Fowke; 'An Introduction to Canadian Agricultural History' in the Canadian Journal of Economics and Political Science (February 1942), pp 58.
- 56) William Morton; Manitoba: A History (Toronto: University of Toronto Press, 1979), pp vii.
- 57) Ibid, pp 44.
- 58) Ibid, pp 43.
- 59) Ibid, pp 73.
- 60) Ibid, pp 3.
- 61) Ibid, pp 3.
- 62) W.L. Morton; Alexander Begg's Red River Journal and Other Papers Relative to the Red River Resistance of 1869-1870 (Toronto: The Champlain Society, 1956), pp 2.
- 63) William Morton; Manitoba, pp 473.
- 64) Carl Berger; The Writing of Canadian History, pp 249.
- 65) A quotation from Morton found in The Writing of Canadian History, pp 249.
- 66) A quotation from Morton found in The Writing of Canadian History, pp 249.
- 67) W.L. Morton; The Canadian Identity, 2nd Edition (Toronto: University of Toronto Press, 1972), pp 3.
- 68) W.L. Morton; The Canadian Identity, pp 3.
- 69) An example of the pivotal role of Canada's northern geography in the historiography of the country can be found in two articles written in the mid-1960's: Carl Berger; 'The True North Strong and Free' and Cole Harris; 'The Myth of the Land in Canadian Nationalism' in Peter Russell (ed); Nationalism in Canada (Toronto: McGraw-Hill of Canada, 1966)
- 70) W.L. Morton; The Canadian Identity, pp 23.
- 71) Ibid, pp 30.
- 72) Ibid, pp 4.
- 73) Ibid, pp 4-5.

- 74) Ibid, pp 5.
- 75) Ibid, pp 93.
- 76) Carl Berger; The Writing of Canadian History, pp 243.
- 77) Ibid, pp 243.
- 78) Views representative of Innis' portrayal of the relationship between agriculture and the fur trade can be found in H. A. Innis; The Fur Trade, pp 398.
- 79) Ibid, pp. 91.
- 80) An excellent example of this was the book by J. Shield Nicholson; The Project of Empire (London: Macmillan and Company, 1909). It uses Adam Smith's *The Wealth of Nations* to justify an imperial federation and a common defense policy.
- 81) H.A Innis; 'The Passing of Political Economy' in The Commerce Journal (Toronto: University of Toronto Commerce Club, 1938), pp 3.
- 82) Ibid, pp 4-5.
- 83) Ibid, pp 4.
- 84) H. A. Innis; 'The Role of Intelligence: Some Further Notes' in the Canadian Journal of Economics and Political Science (May 1935), pp 285-86.
- 85) George Unwin; 'The Teaching of Economic History' in F. Stern (ed); The Varieties of History: From Voltaire to the Present (New York: Vintage Books, 1972), pp 307.
- 86) A. Smith; The Wealth of Nations, pp 653.
- 87) Ibid, pp 669.
- 88) Ibid, pp 681.
- 89) See W.T. Easterbrook and H.G. Aitken; Canadian Economic History (Toronto: The Macmillan Company of Canada Ltd., 1963), pp 51
- 90) A. Smith; The Wealth of Nations, pp 431.
- 91) Ibid, pp 431.
- 92) H.A. Innis; 'Appendix' found in John Dales 'Economic Development in Canada'. It is found in Part II of the book Engineering and Society with Special Reference to Canada, pp 415.
- 93) Smith's vent-for-surplus theory of trade was an important feature of his theory of international trade. Specific passages related to Innis' staples can be found in A. Smith; The Wealth of Nations, pp 485-87, 623 and 832. Smith also assessed the advantages and disadvantages of the bounties on herring and whales that the Dutch dominated. See A. Smith; The Wealth of Nations, pp 485.
- 94) C.R. Fay; 'Preface' to Huskisson and His Age (London: Longman's, Green and Co. Ltd, 1951).

- 95) C. R. Fay; Imperial Economy: and its Place in the Formation of Economic Doctrine, 1600–1932 (Oxford, Clarendon Press, 1934).
- 96) Ibid, pp 54.
- 97) Ibid, pp 60.
- 98) H.A. Innis; ‘On the Cultural Significance of Cultural Factors’ in Political Economy in the Modern State (Toronto: The Ryerson Press, 1946), pp 87.
- 99) Ibid, pp 87.
- 100) H.A. Innis; ‘An Introduction to the Economic History of the Maritimes, Including Newfoundland and New England’ in Mary Innis (ed); Essays in Canadian Economic History, pp 27.
- 101) Herbert Bolton; ‘The Epic of Greater America’ in L. Hanke (ed); Do the Americas Have a Common History (New York: Alfred Knopf, 1964), pp 69.
- 102) L. Hanke (ed); ‘Introduction’ to Do the Americas Have a Common History, pp 18.
- 103) See the title page and J. Shotwell’s ‘Foreword’ in Harold Innis; The Cod Fisheries.
- 104) See Chapter 11 in M. Kraus and D. Joyce; The Writing of American History (Norman: University of Oklahoma Press, 1985).
- 105) J. Shotwell’s ‘Foreword’ in H. A. Innis; The Cod Fisheries, pp vii.
- 106) H. A. Innis; The Cod Fisheries, pp 11.
- 107) Ibid, pp 483.
- 108) Quotations to support this assertion can be found in H. A. Innis; The Cod Fisheries, pp 1 to 5.
- 109) Ibid, pp ix.
- 110) Ibid, pp ix.
- 111) Ibid, pp 2.
- 112) Ibid, pp 6.
- 113) H. A. Innis, ‘Roman Law and the British Empire,’ Changing Concepts of Time, pp 49.
- 114) H. A. Innis; The Cod Fisheries, pp 253 – 54. Quotation found in WN 388.
- 115) The quotation was drawn from The Wealth of Nations, pp 542.
- 116) See Adam Smith; The Wealth of Nations, pp 538.
- 117) Ibid, pp 285.

- 118) Ibid, pp 481 – 82.
- 119) An example is L. Morison’s review of *The Cod Fisheries* in Economic History Review (Volume 13, 1943).
- 120) W.A. Mackintosh; ‘Innis on Economic Development’ in The Journal of Political Economy (June 1953), pp 189.
- 121) G. Graham; Sea Power and British North America, 1783 – 1820 (Cambridge USA: Harvard University Press, 1941), pp 115.
- 122) Ibid, pp 4. Graham cites the Roger’s editions of The Wealth of Nations.
- 123) W.T. Easterbrook and H.G. Aitken; Canadian Economic History, pp 3.
- 124) Ibid, pp 3.
- 125) Ibid, pp 22.
- 126) H.A. Innis; ‘The Role of Intelligence: Some further Notes’ in the Canadian Journal of Economics and Political Science (May 1935), pp 283.
- 127) C. R. Fay; ‘Canadian and Imperial Economic History: A Review’ in Contributions to Canadian Economics (Volume 4, 1932), pp 47-48.
- 128) W.A. Mackintosh; ‘Innis on Canadian Economic Development’ in the Journal of Political Economy (June 1953), pp 192.
- 129) H.A. Innis; Political Economy in the Modern State, pp 258.
- 130) Ibid, pp 258.
- 131) C.R. Fay; Review of Innis’ ‘Political Economy in the Modern State’ in the Economic Journal (September 1947), pp 354.
- 132) Northrop Frye; ‘Harold Innis: The Strategy of Culture’ in Robert Denham (ed) The Eternal Act of Creation: Essays, 1979-1990 (Bloomington: Indiana University Press, 1993), pp 159.
- 133) The quotation that Innis cites is from H. A. Innis; ‘Preface’ of Political Economy in the Modern State, pp XVII.
- 134) H.A. Innis; ‘Reflections on Russia’ in Political Economy in the Modern State, pp 258.
- 135) D. Creighton; Towards the Discovery of Canada (Toronto: Macmillan of Canada, 1972), pp 8.
- 136) Donald Creighton; Towards the Discovery of Canada, pp 3 – 4.
- 137) Ibid, pp 5 – 6.
- 138) Donald Creighton; The Empire of the St. Lawrence, pp 30.

- 139) Donald Creighton; Towards the Discovery of Canada, pp 57.
- 140) Ibid, pp 59.
- 141) Ibid, pp 55. Members of the Toronto School shared the same adverse perception of Turner's frontier thesis.
- 142) Ibid, pp 55-56.
- 143) W.L. Morton; The Canadian Identity, 2nd Edition. pp 85 – 86.
- 144) Vernon Fowke; *Canadian Agricultural Policy: The Historical Pattern*, The following quotation is typical of the way Fowke portrays the role of agriculture in Canadian history.

In the first place, agriculture was not, by any test, other than that of numbers, Canada's leading economic activity until comparatively recent times. Until perhaps a hundred years ago, [i.e. 1850] it was not agricultural prospects which attracted newcomers to venture energies and resources in the New World. The profitable and attractive opportunities were of other sorts, generally commercial, varying with time and place. Agriculture, it might be said, was not indigenous to Canada; it was established and expanded only under conditions of extreme and prolonged difficulty.

Second, though unattractive in itself for over two centuries after the first settlements in territory now Canadian, domestic agriculture was always considered essential to the profitable and safe conduct of those activities which were of prime economic interest.

Third ...Government assistance has been typically extended to agriculture because of what agriculture was expected to do for other dominant economic interests in return for assistance, rather than for what such assistance might do for agriculture.

Fourth, agricultural organization and the pressure of organized farm groups have been, at least until recently, of negligible importance in shaping the agricultural policy of the Canadian government... During the period covered by this study they have generally been powerless to secure assistance which would benefit them at the expense of other substantial groups within the community.

Fifth, Canadian agricultural policy has ordinarily been designed to encourage uneconomic uses of the factors of production. It has been designed to put people on the land, or to retain those already there, when comparative economic opportunities would have drawn them elsewhere... In a narrower sense much of the aid and encouragement extended to Canadian agriculture over the centuries can be termed misguided

Source: Vernon Fowke; Canadian Agricultural Policy: The Historical Pattern (Toronto: University of Toronto, 1978), pp 272-73.

- 145) Ibid, pp 4.
- 146) Cole Harris; 'The Spaces of Early Canada' in the Canadian Historical Review (2010), pp 727.
- 147) Ibid, pp 751.
- 148) Ibid, pp 754.

149) Ibid, pp 757.

150) Each staple left a pervasive influence, with adjustments to new staples producing “periods of crises in which adjustments in the old structure were painfully made and a new pattern created in relation to a new staple.”

Source of quotation is H. A. Innis; Review of L. and C. Knowles; The Economic Development of the British Overseas Empire, Volume II (1930) written in the Economic History Review, (Jan., 1931), pp. 164.

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