University of Alberta

Producing Canada: Canadian Regionalism, Globalization, and the New West
Partnership

by

Justin Blake Leifso

A thesis submitted to the Faculty of Graduate Studies and Research
in partial fulfillment of the requirements for the degree of

Master of Arts

Department of Political Science

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Fall 2011
Edmonton, Alberta

For Rhiannon, whose success inspires me.

Abstract

This thesis examines to what extent globalization has affected the political economy of Canadian regionalism. Using a critical framework, Canadian history is interpreted as the production of a Canadian territorial space, complete with uneven spatial development. With a theoretical framework and historical context in place, the case study of the New West Partnership (NWP), a recent interprovincial free trade agreement, is examined to help explain how regionalism expresses itself in an era of neoliberalism. The NWP serves as an example of the highly complex modern scalar order in which Canadian regions can no longer be considered to be contained exclusively within Canadian borders but also as scales existing within, beside and in relation to a myriad of scales.

Acknowledgements

Though I conducted the research and wrote the text of this thesis, its completion was only made possible by the help, guidance, and advice of many people.

If it were only for the opportunity to work with someone so distinguished, Janine Brodie would be a graduate student's dream supervisor. Fortunately for me, she also happens to be one of the most genuine and kind people I know. I cannot hope to achieve her level of success, but I can attempt to treat those around me with as much respect and patience as she has offered me.

The unwavering support of Rhiannon Stromberg has been matched only by her brilliant intellect. As a partner, she has been patient, encouraging and understanding. As a reader and editor, she has been an unstoppable secret weapon. I hope she understands how dearly I appreciate her.

The concept for this thesis, and Chapter Three in particular, was largely the result of my time with the Saskatchewan Legislative Internship Program (SLIP) in 2006, where my interest in the political economy of Western Canada first developed. I owe a great deal intellectually and professionally to the program.

Friends and colleagues provided proofreading, inspiring exchanges of ideas, and desperately needed humour. I survived coursework by developing camaraderie with Daisy Raphael, Michelle Thomarat, Michelle Morris, Katrina Kyselytzia and Brent Epperson. Robin Anderson provided her own uncompromising brand of proofreading. My understanding of pre-colonial space was enhanced greatly by conversations with Steve Fairbairn. Anne-Marie and Travis Switzer have provided overwhelming hospitality in Edmonton. Much-needed distractions were generously provided by Liz Lemon, my loving English Bulldog. Michel Carpentier provided life-saving, last-minute technical support.

I thank my massively supportive parents. Dale and Carol Leifso raised me in a working class home surrounded by books and newspapers, and have sacrificed a great deal to assure my success. I will not forget it.

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Chapter One – Building a Framework

Introduction

To what extent have the forces of globalization affected the political

economy of Canadian regionalism? Despite the intense focus Canadian Political

Science has placed on regionalism, and despite the near-obsession the social

sciences have afforded globalization, the effect of the former on the latter is

absent in scholarly work. This thesis attempts to bridge the gap. In 2010, the

provinces of British Columbia, Alberta and Saskatchewan implemented a new

internal free trade agreement that they heralded as the creation of the country's

second largest economic region. More than this, however, the New West

Partnership (NWP) also included provisions allowing the region to market itself

and its natural resources on a global scale. The NWP formalizes the Canadian

West as an economic region in Canada and beyond. As such, the NWP provides a

timely example of how modern Canadian regionalism expresses itself in a time of

neoliberal globalism.

This chapter builds a theoretical framework suitable for this discussion. A

survey of traditional approaches to Canadian regionalism finds such theories

lacking, but critical theories of space and scale help to provide a theoretical

framework to better explain modern spatial realities. Examined with this

theoretical framework in Chapter Two, the history of Canada can be understood

as a history of a produced national space, complete with the origins of Canadian

regionalism and the context needed to understand modern regionalism. With a

historical spatial context in place, Chapter Three outlines the events leading to the

NWP. Chapter Four discusses the implications of the NWP and neoliberalism on Canadian regionalism and future efforts to study it.

Canadian Regionalism

Despite the extensive attention given to regionalism in the study of Canadian politics, a definition of the Canadian regional concept is difficult to find, and attempts to produce one have produced divergent results. Harry Hiller focuses on culture, suggesting that regionalism is the politicization of the shared experiences of citizens living in a territory, an attempt to mobilize "selected elements of regional culture and attempts to translate them into a dominant world view."[1] Tomblin provides a rather unspecific definition, arguing that regionalism is simply "the behaviour associated with a region."[2] Gibbons submits a federalist definition, suggesting that regionalism is both "the intrusion of territorial-provincial interests in national politics" and the "patterns of political behaviour spanning two or more provinces."[3] Schwartz states that regionalism is the "manifestation of politically mobilized territorial cleavages."[4] Brodie's definition states that regionalism is "an interpretation of politics that structures political conflict around the issue of *the distribution of resources across geographic space*."[5] Such diverse definitions reflect a multiplicity of theoretical frameworks,

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[1] Hary H. Hiller, "Regions as a Social Construction" in Lisa Young, and Keith Archer, *Regionalism and Party Politics in Canada* (Don Mills: Oxford University Press, 2002), 33.

[2] Stephen Tomblin, *Ottawa and the Outer Provinces: The Challenge of Regional Integration in Canada* (Toronto: James Lorimer & Company, 1995), 6.

[3] Roger Gibbins, *Regionalism: Territorial Politics in Canada and the United States* (Toronto: Butterworth & Co, 1982), 4.

[4] Mildred Schwartz, *Politics and Territory: The Sociology of Regional Persistence in Canada* (Montreal and London: McGill-Queen's University Press, 1974), 20.

[5] Janine Brodie, *The Political Economy of Canadian Regionalism* (Toronto: Harcourt Brace Jovanich, 1990), 13.

but share two fundamental components: 1) it is a worthwhile endeavor to investigate how Canada is organized spatially, regardless of varied theoretical underpinnings of the investigation; and 2) regionalism is the political expression of some sort of spatial cleavage. With these two propositions, it is possible to give Canadian regionalism an appropriate definition: the political expression of Canada's spatial organization.

Theories of Canadian Regionalism

A number of theoretical approaches have emerged to explain regions and their relationships to one another. Though much of this analysis is varied, three basic schools of theory dominate the discourse: the institutionalist approach, which examines how political institutions help create regions and regionalism; the cultural approach, which understands regionalism as the product of subnational political cultures; and the political economy approach, which submits that regions and regionalism are the political result of uneven economic development of the country within the international political economy.

The institutional approach to Canadian regionalism is perhaps the oldest and, in Canadian Political Science, the most well-established theoretical framework of regionalism. Influential Canadian political scientist Alan Cairns pointed out over forty years ago that Canada's electoral system encouraged parties to focus on specific geographic blocs.[6] Following Cairns' work, Richard Simeon suggests that "some of the kinds of regional differences in attitude" are "not so much the cause of regionalized politics, but are themselves the result of a

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[6] Alan Cairns, "The Electoral System and the Party System in Canada" *Canadian Journal of Political Science* Vol. 1 No.1 (1968).

regionalized political structure." [7] To Simeon, regionalism is not an independent

variable, but rather the result of political structures that emphasize uneven space,

such as federalism, the electoral system, and the "British-style cabinet

government."[8] In his examination of regionalism in the United States and

Canada, Gibbins argues that the defining factor in the various levels of Canadian

and American regionalism has been their political structures.[9] Ultimately,

institutionalists believe in "the central importance of a range of institutions –

constitutions, bureaucratic and governance structures, courts, party, and electoral

systems – not only for providing the basic framework for regions but for

explaining the extent and form of regionalism in a society."[10]

The institutionalist approach has been the subject of considerable

criticism. Brym argues that it is charged with regional bias, largely advocated by

those who "tend overwhelmingly to be spokespersons for the central government

and/or to have been brought up in Ontario."[11] Brodie criticizes the institutional

approach and its reliance on institutions such as provincial boundaries, suggesting

that it "often attributes spatial politics to institutional factors, especially the

bureaucratic and constitutional forces operating within the provinces themselves,

and to intergovernmental conflict."[12] In short, Brodie argues, "regionalism loses

its conceptual distinctiveness because it is forced into the conceptual strictures of

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[7] Richard Simeon, "Regionalism and Canadian Political Institutions" in Peter J. Meekison, *Canadian Federalism: Myth or Reality, 3rd Ed.* (Toronto: Metheun Publications, 1977), 296.
[8] Ibid., 292.
[9] Gibbins, *Regionalism,* 191.
[10] James Bickerton and Alain-G Gagnon, "Regions and Regionalism." In James Bickerton and Alain-G Gagnon, *Canadian Politics, 5th Ed.* (Toronto: Universty of Toronto Press, 2009), 76.
[11] Robert J. Brym, "An Introduction to the Regional Question in Canada" in Robert J. Brym, *Regionalism in Canada* (Richmond Hill: Irwin Publishing, 1986), 7.
[12] Brodie, *Canadian Politics of Canadian Regionalism*, 15.

federalism."[13] Indeed, limiting one's examination of regions only to institutions

such as electoral systems, federal structures and executive government casts a

scope too narrow. Attempting to explain regionalism only through formal

institutions leaves such an explanation vulnerable to claims that it does not

adequately take into account political, social, and economic factors outside the

formal structures of government.

      The cultural approach to regionalism treats political culture as the unit of

investigation. With a long tradition in Canadian social science, it often uses

survey data from various parts of the country to argue that there are distinctive

political cultures throughout the country. Brodie explains: "Most studies of

regionalism in Canada simply document regional differences, either in attitudes or

economic indicators ... These studies of regional differences *begin* with

predefined geographic units and measure differences in the location of attitudes or

things."[14] She points out that Mildred Schwartz – who conceptualized different

regional "political orientations"[15] – was one of the first scholars to document

different attitudes in different geographic areas of Canada. Since Schwartz,

Canadian Political Science has been fond of measuring and discussing different

regional political attitudes and cultures, and scholars continue to measure public

attitudes along pre-established regional lines to help put forward the case for

regional political cultures.[16] Others look towards Canadian literature and art to

demonstrate regional difference. Barry Cooper uses an examination of Canadian

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[13] Ibid.
[14] Ibid., 7.
[15] Ibid.
[16] See Ailsa Henderson, "Regional Political Cultures in Canada" *Canadian Journal of Political Science* Vol. 37 No. 3 (2004).

literature to dispel the idea of a unified Canadian culture, arguing that the idea of

a singular national culture is a myth put forward by Central Canada in order to

homogenize a culturally heterogeneous country.[17] Nelson Wiseman, consistent

with Cooper, argues for a "bottom-up" understanding of Canadian political

culture as a composite series of regional cultures. His categorization of Canada's

regions effectively redraws commonly accepted regions such as the prairies and

argues that British Columbia and Alberta comprise the "Far West" with

Saskatchewan and Manitoba the "Midwest."[18] Such a recategorization of Western

Canada is based solely on political culture and provincial ideologies, practically

ignoring both the historical, social, and political similarities shared by traditional

Prairie Provinces and the subsequent historical differences between Alberta and

British Columbia.[19]

The cultural approach is not without its detractors. Bickerton and Gagnon

dismiss its importance altogether, suggesting that the existence of regionalism

does not depend "upon the presence of regional political cultures ... regionalism

may be more salient to political elites than to the mass public."[20] Brodie argues

that the study "of regional differences does not explain what a region is, or how

regional differences evolve and persist."[21] Ultimately, while discussions of

political culture are helpful in examining Canadian regions, they remain largely

descriptive, short on explanations of the origins of regions or regional cultures and

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[17] Barry Cooper, "Regionalism, Political Culture, and Canadian Political Myths" in Young and Archer, *Regionalism and Party Politics in Canada*.

[18] Nelson Wiseman, *In Search of Canadian Political Culture* (Vancouver: UBC Press, 2007), 211-262.

[19] The differences between the place of British Columbia and Alberta (and the other Canadian provinces) is further explained in Chapter Two.

[20] Bickerton and Gagnon, "Regions and Regionalism," 83.

[21] Brodie, *Political Economy of Canadian Regionalism*, 12.

why Canada's regional characteristics change or persist. For a critical account of how Canada's regions have developed and contributed to the spatial make-up of the country, one must turn to the political economy approach.

Canadian political economists have a long history of examining the spatial dimensions of Canadian economic development. Harold Innis argues that the history of Canadian economic development is characterized by a dependence on a number of staples commodities.[22] Accordingly, different areas of Canada, depending on demand from the economic centre of the time and the location of commodities, developed unevenly. Shifts in demand from one commodity to another led to economic instabilities and created tensions between those regions experiencing growth and others in decline.[23] In Vernon Fowke's work on the political economy of agriculture, he emphasizes the importance of state policies, such as the First National Policy, in regional development and tensions.[24] Using the conceptual tools of Fowke and Innis, Brodie puts forward an explicit political economy of regionalism, arguing that Canadian political development has been largely structured by three National Policies, each of which having "its separate logic of development, and each … separated from the other by a period of political and economic crisis."[25] Each new National Policy, she argues, "brought different patterns of regional growth and political conflict."[26] Thus, throughout

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[22] Wallace Clement and Daniel Drache, *The New Political Guide to Canadian Political Economy* (Toronto: J Lorimer, 1985), 1.
[23] Janine Brodie, "The New Political Economy of Regions" in Wallace Clement, *Understanding Canada: Building on the New Canadian Political Economy* (Montreal and Kingston, McGill-Queen's University Press, 1997).
[24] Vernon Fowke, *Canadian Agricultural Policy: The Historic Pattern* (Toronto: University of Toronto Press,1973), 66-69.
[25] Brodie, "The New Political Economy of Regions," 248.
[26] Ibid.

history, regionalism and regional boundaries in Canada have shifted and

transformed with the changing economic and political realities of the time.

Though Steve Tomblin's interpretation of national policies and regionalization is

consistent with Brodie's, he uses it to critique government regional intervention.

For Tomblin, deviation from market principles "undermined the spirit of

entrepreneurialism and self-reliance that existed in marginalized regions in the

country."[27] Margaret Conrad also tacitly advocates for a political economy

approach to regionalism, suggesting that different hinterland regions of Canada –

the Prairies and Atlantic Canada – should pursue closer ties with one another

based on their similar place in Canadian economic history.[28]

Some authors have used a political economy approach to warn that

Canadian regionalism could lead to the disintegration of the country. In 1990,

Glen Williams suggested that economic forces consistent with free trade would

expose Canadian regions to greater southern integration, although he emphasized

that the Canadian state still had a lasting role to play in economic national unity.

Writing ten years later, Donald Savoie was not as optimistic, and lamented that

economic forces were pulling Canada apart while the federal structures and

programs meant to hold it together had been dismantled.[29] Williams and Savoie,

though differing in their predictions for the future, both adopt an interpretation of

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[27] Ibid., 45.
[28] Margaret Conrad, "Saskatchewan is a Maritime Province Too: Rethinking Canadian Regionalism in the Twenty First Century." Paper presented at the University of Saskatchewan Centennial Lecture Series, Saskatoon, 2004.
[29] Donald Savoie, "All Things Canadian are Now Regional" *Journal of Canadian* Vol. 35 No. 1 (Spring 2000).

Canadian regions that focuses on their creation as part of political-economic processes.

The strength of the political economy approach lies in its ability not only to describe the differences between regions, but to explain causal factors underlying regional tensions in the country and how these tensions change across time as new arrangements conflict with earlier regional arrangements. Whereas the institutional and cultural approaches to Canadian regionalism provide valuable descriptions of how politics and culture express themselves regionally in Canada – treating regions as "containers" of culture or politics – it is in the Canadian political economy tradition that one can find a foundation for understanding the genesis of Canadian regionalism and how Canadian regions were created.

The political economy approach to Canadian regionalism does encounter its own limitations and contradictions. Despite their emphasis on certain dynamics of the international political economy – demand for commodities, lack of alternative trade arrangements with the United States or United Kingdom – as necessary conditions for both confederation and regionalism, political economists have largely ignored the relationship between Canadian regions and the contemporary international political economy. After conceptualizing Canadian regions as an outcome of global processes, Canadian political economists became satisfied to examine the regions emerged in Canada as if they were neatly divorced from those processes by the Canadian border; treating the Canadian state as a container within which various regions interact with each other safely shielded from the international political economy. This limitation was hardly

apparent in the twentieth century when most scholarship examining regionalism in the country was written and the national scale was dominant. However, in an era where Canadian provinces ally with one another to compete economically on the continental and global stage,[30] and after decades of literature detailing (and debating) the demise, survival, and reconfiguration of the nation-state and the national scale, it seems now inconsistent to consider Canadian regions as being contained within national borders. The study of regionalism in Canadian Political Science has suffered from a sort of methodological nationalism.[31] In order to move forward in an analysis of Canadian regions, it is important to identify the cause of this shortfall and find a theoretical framework that offers a way around it.

The Territorial Trap

The tendency of Canadian political economists to conceptualize regions as being contained exclusively within the territorial Canadian state is consistent with what John Agnew identifies as the "territorial trap."[32] Speaking primarily to the field of international relations, Agnew points out that social science has traditionally assumed that the territorial nation-state is a historical given, that "a state is territorial much like life on earth is terrestrial."[33] In other words, scholars tend to "naturalize – that is, to take for granted – the territorial extension, constitution and boundedness of state power and political-economic life more

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[30] See Chapter Three.

[31] Methodological Nationalism was conceptualized in 1983 by Daniel A. Smith, who used it to describe the tendency of the social sciences to treat nations and nationalism as "sociological givens." See Anthony D Smith, "Nationalism and Classical Social Theory" *British Journal of Sociolgoy* Vol. 34 No. 1 (March 1983), 28. Ulrich Beck provides a succinct definition as it relates to globalization, arguing that it refers to society and state being "conceived, organized and experienced as coexistensive." See Ulrich Beck, *What is Globalization?* (Maldon, MA: Blackwell Publishing, 2000), 64.

[32] Agnew, "The Territorial Trap."

[33] Ibid.

generally."[34] Nation-states, bound neatly by their territorial borders, are taken for granted as pre-existing givens. Agnew argues that the territorial trap rests on a set of three fallacies, which are often committed by social scientists: 1) state territories have been "reified as a set or fixed units of sovereign space;" 2) the world is divided between domestic/foreign and national/international polarities, obscuring "the interaction between processes operating at different scales" and 3) the territorial exists "prior to and as a container of society."[35] Agnew argues that these three intellectual assumptions are problematic because they ignore the social and historical conditions that led to the emergence and continued existence of the territorial state. For Agnew, the "geographical assumptions of international political economy need to be fundamentally rethought: the territorial trap must be escaped."[36] Similarly, Mahon and Keil describe the phenomenon as "national centrism" and lament that it has "hindered a creative opening towards the kinds of questions beyond the territorial cage."[37] To those who have identified it, the territorial trap represents a certain degree of academic lethargy, allowing scholars to begin their study of politics with the sovereign national state as a natural given as if it had always existed as a reality of the human condition.

It stands to reason that the study of *Canadian* regionalism might well fall into the territorial trap. The study of Canadian regionalism relies on an implicit division between the "domestic" and the "international." The institutionalist and cultural approaches are largely descriptions of differences between regions in the

[34] Brenner and Elden, "Henri Lefebvre on State, Space, Territory," 354.
[35] Agnew, "The Territorial Trap," 59.
[36] Brenner and Elden, "Lefebvre on State, Space, Territory," 354.
[37] Rianne Mahon and Roger Keil, "Introduction" in Rianne Mahon and Roger Keil, *Leviathan Undone? Towards a Political Economy of Scale* (Vancouver: UBC Press, 2009), 10.

country and strongly reflect Agnew's foreign/domestic and national/international polarities. The political economy approach, which finds its strength in its critical attention to how regions are formed, nevertheless ends its analysis at the Canadian border. Even Brodie's explicit examination of the political economy of Canadian regionalism ends during the same era of burgeoning spatial reconfiguration that prompted Agnew to lament the territorial trap. Though she describes Canada's turn towards neoliberalism as the "Third National Policy," her work does not have the opportunity to fully engage with what we now commonly refer to as "globalization." The lack of recent work in the field has made its vulnerability to the territorial trap all-the-more noticeable. Since Brodie's last work on the topic, few explicit examinations have been undertaken. In this time, conditions in the international political economy have presented challenges to these traditional spatial understandings; globalization forces us out of the territorial trap. Rather than discarding this work completely, then, it seems wiser to instead use its lessons – the founding of Canada as part of international economic processes, for instance – and engage more recent theories that have developed to explain contemporary spatial politics. Thus, the political economy approach to Canadian regionalism serves as a useful starting point to engage with these more current efforts.

Lefebvre, Space and Territory

Brenner and Elden suggest that a solution to the territorial trap can be found in the work of French social philosopher Henri Lefebvre.[38] Lefebvre argues that space is produced politically and culturally, and that particular modes

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[38] Brenner and Elden, "Henfri Lefebvre on State, Space, Territory."

of production such as capitalism[39] and socialism[40] produce their own sorts of

space that both reflect those modes of production and act as agents in their

continued reproduction. Within this logic, space is a process that aligns closely

with the broader political rationality[41] of the time, at once fluidly changing as

rationalities do while also leaving lasting imprints on the landscape with which

new spaces must contend.

Conceptualizing space as a dynamic process provides a helpful tool for

overcoming the territorial trap. Focusing on the work of Lefebvre, Brenner and

Elden argue that territory is a produced space like any other, the product of

contemporary political economic processes: "territory represents a historically

specific political *form* of (produced) space – territorial space – whose precise

conditions of possibility, contours and consequences require careful excavation,

historicization, and theorization."[42] The historical specificity of the nation state

deserves much more careful consideration than it has been awarded in the past.

Much like capitalist space is the product of capitalist processes or socialist

space the product of socialist processes, territorial space is a specific form of

space produced by a specific set of actions and processes. Lefebvre labels these

"territorial practices," defining them as "the physical, material spaces of state

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[39] Henri Lefebvre, "Reflections on the Politics of Space" in Neil Brenner and Stuart Elden (eds), *Lefebvre: State, Space, World* (Minneapolis: University of Minnesota Press, 2009), 187-191.
[40] Ibid., 191-193.
[41] "Political rationality" will become an important term in this discussion. The phrase comes from Foucaultian governmentality scholars and refers to overarching paradigms of governance. That is, beyond simply an ideological framework for government policies – neoliberal policies of austerity and privatization, for instance – they are broad lenses through which members of society understand acceptable action of society and the state. For an introduction to political rationalities, see Nikolas Rose and Peter Miller, "Political Power Beyond the State: Problematics of Government" *British Journal of Sociology* Vol. 43 No. 2 (1992).
[42] Brenner and Elden, "Lefebvre on State, Space, Territory," 363.

territory, from the borders, fences, walls and barriers erected to mark its external

limits, to the creation and maintenance of large-scale infrastructure enabling flows

of people, goods, and energy." [43] Moreover, for "Lefebvre, the consolidation of a

modern notion of (national) territory was inextricably intertwined with the state's

mobilization of such techniques to control economic resources embedded in its

land and landscape, all in the context of a rapidly expanding capitalist world

economy."[44] In other words, the sovereign national territorial state emerged in

history as a tool for capitalist accumulation. Territorial space is a characteristic of

a larger capitalist space.

The chaotic, ever-changing nature of capitalism, however, guarantees that

territory will itself never remain static: "For [Lefebvre], despite the state's efforts,

the spatial relations of capitalism cannot be subsumed under any fixed planning

framework or regulatory system; spatial organization is thus inherently political

and always contested."[45] The inherently dynamic and contested nature of

capitalism assures that its spatial expressions will be equally fluid, and given that

the territorial state became the dominant scale for the development of capitalism

and capital accumulation, it too would become the dominant site for political

contestation. Simultaneously, the space being produced affects the processes that

govern its production and reproduction: "Territory is always being produced and

reproduced by the actions of the state and through political struggles over the

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[43] Ibid., 364.
[44] Ibid., 363.
[45] Ibid., 365.

configurations that are historically specific artifacts of the period's dominant mode of production in a highly similar fashion to Lefebvre's territorial space and Sassen's assemblages of territory, authority and rights.[50]

These critical theories of state, space and territory allow us to overcome the territorial trap through a dynamic understanding of the national state. Nation-states are not permanent historical givens; they are points in history, emerging only under specific conditions generated by capital accumulation. Furthermore, as the processes associated with such accumulation change, so too does territorial space. Assuming that any spatial expression of a specific system will persist in perpetuity is as much a mistake as assuming that said system will persist. Over a decade of scholarship examining the forces known now as globalization has produced countless reasons why we should question any theory or analysis that takes the timeless existence of the nation-state as a given. It now seems misguided to restrict studies of regions in Canada to those traditional frameworks that approach regions as though they grow within a timeless and fixed container.

Whither Nation-States and Sub-National Regions?

What, then, of Canadian regions in the global era? Are theories of Canadian regionalism antiquated because of their reliance on the existence of the Canadian territorial state in an era of globalization? Such questions bring the discussion to debates surrounding the role of the state in the modern era. At the beginning of the twenty-first century, it became a common theme in social science to describe the deterioration of the sovereign nation-state in the face of multinational corporations' increasing capacity to escape traditional borders and

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[50] Ibid.

governance mechanisms of sovereign nation-states.[51] This was facilitated by

other global processes such as liberalized trade flows facilitated by complicated

financial products and technological advances[52] and global social movements.[53]

In Canada, the left – concerned with the lack of Canadian control of the economy

since the post-war era – decried the loss of Canadian sovereignty, citing the

Canada-US Free Trade Agreement (FTA) and North American Free Trade

Agreement (NAFTA) as examples of the corrosion of the Canadian state.[54]

Meanwhile, neoliberals in the country advised public policy makers to liberalize

Canada's economy to remain competitive in an increasingly globalized world

economy in which national borders made little difference.[55] Any reconfiguration

of the sovereignty of a state meant that the state itself was in jeopardy of being

replaced by a global scale seemingly controlled by corporate interests. If

predictions of the nation state's fall were accurate, the fate of regions typically

understood to be encapsulated within such states would certainly remain murky.

However, the recent work of scale theorists suggests that things are not so

simple. Though the place of the national scale has been reconstituted, the current

geographic order is significantly more complex than imagined by earlier

predictions of the demise of the national state. While the national scale is perhaps

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[51] John Madeley, *Big Business, Poor Peoples: The Impact of Transnational Corporations on the World's Poor* (New York: St. Martin's Press), 1999.

[52] Manfred B. Steger, *Globalism: The New Market Ideology* (Landham: Bowman & Littlefield, 2002); Martin Khor, *Rethinking Globalism: Critical Issues and Policy Choices* (Halifax: Fernwood Publishing, 2001).

[53] Peter Waterman, *Globalization, Social Movements and the New Internationalisms* (New York: Mansell Publishing, 2001).

[54] Maude Barlow and Tony Clarke, *Global Showdown: How the New Activists are Fighting Global Corporate Rule* (Toronto: Stoddart, 2001); Mel Hurtig, *The Vanishing Country: Is it too Late to Save Canada?* (Toronto: McClelland and Stewart, 2003).

[55] Thomas d'Aquino and David Stewart-Patterson. *Northern Edge: How Canadians Can Triumph in the Global Economy* (Toronto: Stoddart, 2001).

no longer the dominant site of economic development and political authority, no

other scale has taken its place and "the notion of a 'postnational regime' thus

refers not to the withering of the national state but to a redefinition of its place

within a tangled set of hierarchies."[56] Brenner suggests that rather than simple

layers or levels organized vertically, scales are in reality much messier. He turns

to Lefebvre and likens scales to French mille-feuille cake – literally a *thousand*

leaves – that involve "complex articulations among multiple patterns, contours,

lines, folds, points, clusters and edges."[57] Brenner argues that, although the

factors mentioned above are important, "the scalar architecture of capitalism as a

whole ... is being contested and reworked in unpredictable, often uncontrollable

ways."[58] To Brenner, the national scale has hardly disappeared. Rather, it is

forging new relationships with other scales and "is now even more tightly linked

to other supra- and subnational scales of political-economic organization than was

previously the case."[59]

Other recent investigators of globalization agree that it is too early and too

simplistic to announce the death of the national. Sassen points out that throughout

history, the nationally organized state stands out as the most developed expression

of territory, authority and rights, explaining that globalization "has yet to engage

the most complex institutional architecture we have ever produced: the national

state; global-level institutions and processes are currently relatively

underdeveloped compared to the private and public domains of any reasonably

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[56] Mahon and Keil, "Introduction," 12.
[57] Neil Brenner, "A Thousand Leaves: Notes of the Geographies of Uneven Spatial Development"
in Mahon and Keil, *Leviathan Undone?*, 33.
[58] Ibid., 34.
[59] Ibid., 44-45.

functioning sovereign country."[60] Though she extensively documents the ongoing

"denationalizing" of the national state and the existence of globalizing processes,

Sassen rightly demonstrates that the mature form of the national state does not

disappear quickly. Furthermore, Sassen argues, those globalizing forces are

multipolar themselves. They are not only propagated by the usual global

suspects, the World Trade Organization (WTO) and trans-national corporations,

for example. The denationalizing of the state also comes largely from "deep

within" those states.[61] Like scale theorists, Sassen paints a picture that is much

messier than the simple demise of the national state.

Such theories of scale are consistent with the notion of produced territorial

space and can help us understand Canadian regions, both historically and in the

modern era of reconfigured spatial arrangements. Far from becoming irrelevant

as topics of investigation, Canadian regions are now subject to contemporary

processes associated with shifting and emerging scales such as regional blocs,

cross-border regions, sub-national regions and a wide-range of geographically

disperse networks. Rather than existing within the formerly dominant national

scale alone, Canadian sub-national regions now find themselves within and beside

a myriad of scales and spaces.

This critical understanding of Canadian regions that exist within and

alongside new and emerging scales and spaces is consistent with another canon of

work, which is described as the "new regionalism." Outside of Canadian Political

Science, regions have been subjects of investigation for decades, often in the

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[60] Sassen, *Territory, Authority, Rights*, 1.
[61] Ibid.

context of Europe. According to Hettne, the "early theories or approaches to regionalism were all concerned with peace, and tended to see the nation-state as the problem rather than the solution."[62] Competing theorists debated the spatial organization that best facilitated peace and prosperity, with those such as functionalists and federalists looking for alternatives to the nation state, though with competing visions.[63] This "old" regionalism was a "Cold War phenomenon,"[64] characterized by actors attempting to deliberately configure dominant scales. In this way, it was itself consistent with Agnew's territorial trap.

In recent years, regionalist literature has focused on the relationship between regionalism and globalization. Unlike the "old" regionalist theories that emerged during the height of the Cold War, the "new regionalism took shape in a multipolar world order and in the context of globalization. It formed part of a global structural transformation."[65] This new regionalism, rather than the product of those debating proper spatial organization, focuses more on the social and economic processes and conditions that result in the emergence of regions on various levels. In the context of Canadian regionalism, the new regionalist concept of "microregions" is instructive. These regions exist between the local and the national, and "historically [have] been seen as subnational regions within the territorial boundaries of particular nation-states."[66] However, such regions now constitute a much murkier reality, with these microregions increasingly

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[62] Bjorn Hettne and Frederik Soderbaum, "The Future of Regionalism" in Andrew Fenton Cooper, Christopher W Hughes (eds), *Regionalism and Global Governance: The Taming of Globalisation?* (New York: Rudledge, 2008), 63.
[63] Ibid.
[64] Bjorn Hettne, "Beyond the 'New' Regionalism" *New Political Economy* Vol. 10 No. 4 (2004), 549.
[65] Ibid.
[66] Ibid., 557.

constituted by networks that reach across national boundaries and include a variety of actors including private firms and civil society.[67]

The concept of regions put forward by the new regionalism literature complements other critical theories of space and scale. Displacing the more traditional, state-centered understandings of regions, the new regionalism understands regions as the products of the processes and conditions associated with the increasing internationalization of production and accumulation. As the processes of global capitalism have been pushed forward by a neoliberal political rationality, and those conditions that allowed for the appearance of Agnew's territorial trap have eroded, the new regionalism confirms what other critical analysts have suggested: that the new reality of space, scale, and region is tangled, often difficult to conceptualize, and still unfolding. As the national has become reconstituted in its relation to other scales and levels, the new regionalism confirms that those regions that have been previously considered contained entirely within nation-states need to be reconsidered vis-à-vis these new realities.

Conclusion

It is clear that the traditional theories of Canadian regionalism all share vulnerabilities to what Agnew described as the territorial trap. Institutional and cultural examinations of Canadian regionalism treat regions as "containers" of political, cultural or social characteristics that can be compared to one another.

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[67] Larner and Walters suggest, however, that the study of "new regionalism" remains tied to traditional understandings of regions and "much of the existing literature on new regionalism is state centered." They argue that despite the attempts of those investigating the new regionalism to describe them as constructs, this literature nevertheless remains "wedded to the notion that regions, the objects of 'new regionalism,' exist prior to discourses about them. See Wendy Larner and William Walters, "The Political Rationality of 'New Regionalism': Toward a Genealogy of the Region" *Theory and Society* Vol. 31 No. 4, 392.

Alternatively, the political economy approach to Canadian regionalism describes the processes and state policies, which have led to uneven geographic development and, ultimately, regionalism in Canada. None of these approaches to regionalism, however, transcend the belief that regions are encapsulated in the taken-for-granted territorial borders that separate the domestic from the foreign and the national from the international. This has largely to do with the time in which this scholarship was produced; these approaches to regionalism were generated at a time when the national scale was dominant, when models of economic development depended largely on the existence of a strong national government. However, as Agnew and others have demonstrated, changes in international political economy have made it impossible to hold on to this model of the political.

Critical theories of territorial space and scale allow us to overcome the territorial trap. By viewing Canada as a Canadian territorial space, the work done by Canadian political economists can help link the Canadian example to these theories and allow scholars to understand regionalism without falling into the territorial trap. The quest for capital accumulation culminated in the First and Second National Policies, which produced and strengthened Canadian territorial space respectively. Uneven economic development was an inherent part of this territorial space, ultimately producing regional conflicts and what became known in Canadian politics as regionalism. However, regions can no longer be considered as only contained without Canadian space. Indeed, recent events such as the signing of the New West Partnership suggest that regions are now being

formed and reformed within and alongside other shifting scales such as the global and the continental, concurrently being tied to the residual structures and arrangements of "traditional" Canadian regionalism. It seems, then, that not only is it beneficial for social scientists to overcome the territorial trap, it is necessary. Only then will examinations of what has been known as Canadian regionalism are able to capture the nuanced and complex ways that economic and political processes are now unfolding.

Chapter Two – A Spatial History of Canada

Introduction

Chapter One demonstrated that the nation state, despite the implicit treatment given to it by social scientists in the twentieth century, is neither a timeless and constant given nor an inevitable casualty of neoliberal globalization. Rather, the modern nation state is a historically specific expression of capital accumulation and political ideas, produced through the processes and political compromises that have facilitated that accumulation. Canada serves as an instructive example. If we are to take the critical theoretical frameworks explored in Chapter One as a lens to examine Canadian spatial development, it is necessary to trace out how the Canadian state emerged. From the beginning of resource exploitation on the country's east coast to the emergence of the fur trade through to the First National Policy, the production of Canadian territorial space was gradual, though distinct. Canadian territorial space was further strengthened in the twentieth century through the elaboration and entrenchment of the Canadian state and a Canadian identity through the Second National Policy. Territorial practices, understood here as a wide range of programs, policies and physical constructions that facilitate spatial integration, are present throughout Canadian history. Such practices include early settlements, the railroad, tariff policy, and communication networks as projects that have consolidated an east-west spatial orientation are woven throughout the country's history. The production of this Canadian territorial space did not take place evenly; some areas of the country developed more rapidly than others, and political power was exercised in ways

that created regions that were subordinate to one another. A critical spatial re-examination of Canadian history is necessary.

Pre-Colonial Space

It is not possible to describe a uniform space that existed in what is now North America before the arrival of Europeans.[68] The peoples of the continent were widely diverse in their economic and social practices, reflected in the equally diverse forms of space. Nations in the Mississippi valley "occupied permanent, often fortified villages situated on the bluffs above the river valley."[69] Peoples in the Great Lakes area were similarly limited in their movement and built permanent settlements, migrating little.[70] On the Prairies, migration was a part of life and largely determined by the availability and location of food. Permanent structures were thus less common in those areas where "nomadic hunting bands" followed bison herds across the plains.[71] Though a capitalist system would not appear until first contact with Europeans, trade patterns could cover vast distances, with the nomadic bands trading between the various sedentary bands throughout the continent.[72] While war and diplomacy were

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[68] Discussing the history of pre-colonial peoples in North America is an exceptionally broad topic that spans a huge period of time from pre-historic times to the arrival of Europeans. In this paper, pre-colonial peoples refers to those living on the continent in the centuries directly before colonization. For a history of the ancient first peoples, J.V. Wright's excellent online history is helpful. See J.V. Wright, *A History of the Native People of Canada* [Online] Available: http://www.civilization.ca/cmc/exhibitions/archeo/hnpc/npint01e.shtml (Retrieved August 30, 2011).

[69] Loretta Fowler, "The Great Plains from the Arrival of the Horse to 1885" in *The Cambridge History of the Native Peoples of The Americas Vol. 1 Part 2: North America* (Cambridge: Cambridge University Press, 1996), 2.

[70] Neal Salisbury, "The History of Native Americans From Before the Arrival of Europeans and Africans until the American Civil War" in Stanley L Engerman and Robert E Gallman (eds), *The Cambridge Economic History of the United States: The Colonial Era* (Cambridge: Cambridge University Press, 1996).

[71] Fowler, "The Great Plains from the Arrival of the Horse to 1885," 2-3.

[72] Ibid.

certainly important and boundaries existed between nations, various spaces were governed by a diversity of spatial organizations.[73] Such multiplicity would begin to change with first contact.

Genesis of a New Space: The Early Staples Economy

The appearance of Europeans in North America brought upon a stark transformation in the spatial organization of pre-confederation Canada. As the European imperial powers expanded their influence overseas, the demand for natural resources and commodities prompted the quest for new sources of these commodities. In the northern half of North America, these powers found bountiful natural resources that set the stage for the emergence of a staple-based political economy. Spain and Portugal were early fishing powers off the North Atlantic coast, participating in a practice known as wet fishing[74] that did not encourage permanent settlement. It was not until the fishery was taken over by the French and English, who employed a strategy known as dry fishing,[75] that permanent settlement began with the founding of small coastal ports.[76] These early coastal settlements represented perhaps the first permanent fixtures of imperial space, products of this early staples-based economy. By the early seventeenth century, the permanent infrastructure of this economy expanded and

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[73] For a direct examination and discussion of the intersection of aboriginal space and nonaboriginal space in British Columbia, see Cole Harris, *Making Native Space: Colonialism, Resistance, and Reserves in British Columbia* (Vancouver: UBC Press, 2003).

[74] Wet fishing included the capture of fish, salting the flesh, and immediate transport back to home markets. Alternatively, dry fishing involved the salting *and drying* of fish before transporting the finished product to market. See Harold Innis, "An Introduction to the Economic History of the Maritimes, Including Newfoundland and new England" in Innis, *Essays in Canadian Economic History*, 27-42.

[75] Innis, "An Introduction to the Economic history of the Maritimes," 27-30.

[76] Ibid.

an increased number of fishers began to stay at the ports over the winter.[77] The

demand for a natural resource had expanded imperial space to Newfoundland, and

the first permanent fixtures of territorial practices – those of European colonialism

– were established.

The expansion of this space continued with the growth of the fur trade.

Although the trading of furs between Aboriginal peoples and Europeans had been

recorded as early as 1534,[78] "the early possibilities of rapid development of the

fur trade were limited"[79] in the sixteenth century. However, increased demand for

beaver pelt hats[80] and increasing European infiltration into the interior of North

America as part of fishing made fur an attractive product. Europeans, primarily

the French, became increasingly familiar with local Aboriginal populations,

linking the European market for beaver pelts with the local population that had the

requisite hunting knowledge and techniques for acquiring fur.[81] Similarly, the

increased exposure to Europeans encouraged Aboriginal peoples to focus on trade

with the foreigners.[82] Even at this early stage, colonial space was being produced,

imprinting itself over both the physical geography and the previous Aboriginal

spatial configuration. Aboriginal economic activity was progressively focused on

fur, and as such, space on the continent was increasingly transformed and

integrated with this new colonial space. The permanent features this early

economy left behind marked the beginning of the creation of capitalist space in

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[77] Ibid., 32.
[78] Harold Innis, *The Fur Trade in Canada* Revised Edition (Toronto: University of Toronto Press, 1962), 10.
[79] Ibid.
[80] Ibid.
[81] Ibid, 148.
[82] Specifically the increased usage of European goods such as firearms by Aboriginal nations.

what would become Canada, and would serve as the genesis of Canadian territorial space.

The expansion of the fur trade throughout the continent continued the transformation of space to focus on the new dominant staple. Initial attempts to trade with Aboriginal communities in the northwest were less successful than such efforts in the St Lawrence area.[83] However, such difficulties were temporary. In 1669, English explorers returned to England with 3,000 pounds of beaver pelts, convincing the English Crown to grant a charter establishing the Hudson's Bay Company (HBC) in 1670.[84] As a part of this charter, the HBC was given a monopoly over all lands whose water flowed into Hudson's Bay. Without regard for the peoples of the land or the space produced by their activities, the British crown unilaterally granted over 1.6 million square kilometres of land to a private company. The transaction represented a massive transformation of space. Instantly, over a million square kilometres of land, with rivers that until that point had acted as transportation, food source and spiritual landmarks[85] for Aboriginal peoples became a commercial network that oriented spatial organization in the continent towards the export of beaver pelts to Europe.

By the nineteenth century, the fur trade had extended colonial space throughout the central continent. Though beavers were hunted primarily in wooded areas, the surrounding prairies that would one day comprise the Canadian

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[83] Innis, *The Fur Trade in Canada,* 150-153.
[84] Charles A. Bishop, "The Western James Bay Cree: Aboriginal and Early Historical Adaptations" in Gregory Marchildon, *The Early Northwest* (Regina: Canadian Plains Research Center, 2008),75.
[85] Evelyn Peters and Jackie Wolfe-Keddie, "Geographical Perspectives on Aboriginal Peoples" *Canadian Geographer* Vol. 39 No. 2 (2008), 99.

Prairie West played a vital role in supplying trappers in such forested areas with needed survival goods.[86] Permanent forts were constructed to facilitate the flow of provisions from the prairie lands to fur territory; foodstuffs were sent to forts such as Cumberland House, Norway House and Bas de la Riviere, where they were distributed to those collecting pelts.[87] Similar to the Great Lakes fur trade, the Aboriginal population was integrated into this new spatial organization. Aboriginal peoples provided food in the form of dried buffalo meat and pemmican[88] to forts for distribution in fur territory, going so far as to raze portions of land around forts to repel buffalo and discourage traders from hunting their own buffalo.[89] With Aboriginal activity increasingly focused on trading with the fur traders and the fur companies constructing permanent forts and settlements to facilitate the industry, the expansion of imperial space into the interior of the continent was set.

Though the forts and settlements were insufficient to instantly cause massive spatial change, the new fur economy was nevertheless the genesis of colonial space in the area. As Sassen points out, conditions for a particular assemblage are typically present in the previous dominant assemblage.[90] The expansion of European colonial space into the northern half of North America is consistent with this observation. Though the emergence of the early staples

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[86] Arthur J Ray, "The Northern Great Plains: Pantry of the Northwestern Fur Trade, 1774-1885" in Gregory Marchildon, *The Early Northwest* (Regina: Canadian Plains Research Center, 2008).
[87] Ibid., 85-86.
[88] Pemmican, a staple of aboriginal peoples on the prairies, consisted of buffalo meat dried until brittle, crushed into a fine powder, and boiled with fat or marrow. Highly stable, pemmican could survive harsh weather, be stored for long periods of time, and could be transported over distances. See Ray, "Northern Great Plans."
[89] Ray, "Northern Great Plains," 86.
[90] Sassen, *Territory, Authority, Rights.*

economy in Canada did not constitute the production of Canadian territorial space, the transformation of the physical landscape and spatial orientation from Aboriginal subsidence to imperial commerce provided the necessary conditions for the production of Canadian territorial space in the nineteenth century.

The Production of Canadian Territorial Space

Permanent settlement of the continent and the formalization of the colonies in the global political economy transformed North America into European imperial space. Champlain had founded Quebec, building a permanent settlement where present-day Quebec City stands, proclaiming it the first step in pursuit of "the foundations of a permanent edifice, as well as the glory of God as for the renown of the French."[91] Early Quebec became part of the French holdings in North America – New France – that would eventually stretch from Acadia and Quebec to Louisiana.[92] The arrival of the British led to eventual war between the British and French for New France, a struggle won by England in the battle on the Plains of Abraham in 1759.[93] With France uninterested in investing resources to recapture the northern half of North America, Quebec was integrated into British imperial space.

The formalization of British spatial domination continued with the development of English Canada. The American Revolution and the resulting flood of American loyalists northward pushed the British government to split its

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[91] Quoted in Edgar McInnis, *Canada: A Political and Social History* (Toronto: Rinehart & Comany: 1959), 28.
[92] Desmond Morton, *A Short History of Canada* (Toronto: McClelland & Stewart, 2001), 23-25.
[93] Ibid., 24.

North American holdings into Upper Canada and Lower Canada:

> Upper Canada would develop a model British society that *Canadiens* and Americans could admire and perhaps even ask to join. The eastern portion, Lower Canada, would also have an elected Assembly, an appointed upper house or council, and an executive – but the *Canadiens* would keep their language, civil law, and religious institutions. In 1791, the Constitutional Act confirmed the arrangement.[94]

The establishment of Upper and Lower Canada set into motion the creation of Ontario and Quebec, the largest of the Canadian provinces that would serve as the centre of Canadian political and economic power. Loyalists also found their way to New Brunswick and Cape Breton, which both became colonies in 1783.[95] British Columbia, which had previously been part of the Oregon territory, formally became a separate colony in 1858, largely as a result of a significant gold rush.[96] The establishment of these colonies formally parceled off space under the authority of colonial leadership. The presence of these British colonies would also lead to the eventual establishment of an economic union between them, though this arrangement was not inevitable.

The First National Policy

In the nineteenth century, Central Canadian elites faced a dilemma regarding the geographic orientation of their economic activities. Since the sixteenth century, northern North America had been gradually incorporated into the expansion of European colonial space. However, events in the economic centre made further integration of the colonies into the imperial economy more

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[94] Ibid., 27.
[95] Ibid., 66.
[96] J. Friesen and H. K. Ralston, "Introduction" in J. Friesen and H.K. Ralston (eds), *Historical Essays on British Columbia* (Toronto: McLelland and Stewart, 1976).

difficult. By the mid-nineteenth century, Great Britain was growing weary of defending colonies and was no longer willing to give British North America trade preferences.[97] With their free access to the imperial market no longer available, the spatial orientation of the colonies had to change. The United States provided an attractive alternative for economic activity, but conditions in that country made this option unlikely. Though the United States and the colonies had signed the Reciprocity Treaty in 1850, America would not welcome free trade with the Canadian colonies.[98] Without the imperial and continental options available, Canadian capitalists considered the option of creating a national economy. The Canadian political economy was about to go through a dramatic transformation with the introduction of the First National Policy.

The First National Policy was not a single policy, but rather a "group of policies and instruments which were designed to transform the British North American territories of the mid-nineteenth century into a political and economic unit."[99] Following confederation, the three pillars of the National Policy were implemented, including a trans-continental railroad, immigrant and settlement of the West, and the introduction of a system of protective tariffs. As cornerstones of the Canadian nation-building project, the First National Policy and Confederation constituted explicit territorial practices designed to create a Canadian territorial space.

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[97] Vernon Fowke, *The National Policy and the Wheat Economy* (Toronto: University of Toronto Press, 1957), *5.*
[98] Ibid.
[99] Ibid.

The railroad played a critical role in the consolidation of Canadian territorial space. Innis calls the history of the Canadian Pacific Railroad (CPR) the "history of the spread of western civilization over the northern half of the North American continent."[100] The Canadian Pacific Railroad Company was incorporated in 1881, defined as a rail line "from a point near the south end of Lake Nippissing to the Pacific Coast."[101] This provided the company "ample authority to expand on the contractual main line - from Callender, near Lake Nippissing, to Port Moody on the pacific Coast – into a transcontinental and intercontinental system of transportation and communication."[102] The federal government assisted the company with a generous number of concessions, including $25 million and 25 million acres of agricultural land fit for settlement; premium land; tax and duty exemptions; and a twenty year guarantee against competitive construction in the West. The government also agreed to complete the sections of the railroad that had already begun by 1882, ultimately transferring them to the company upon completion.[103] Despite the generosity of the federal government, the CPR ran into financial difficulties in the 1880s. Only after the government injected money into the railroad in exchange for the CPR assisting to suppress the second rebellion led by Louis Riel was the railroad completed.[104]

The CPR is a highly appropriate example of a territorial practice in the building of a Canadian territorial space. Until the railroad was completed, the

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[100] Harold Innis, *A History of the Canadian Pacific Railroad* (Toronto: University of Toronto Press, 1971), 287.
[101] Fowke, *The National Policy and the Wheat Economy*, 48.
[102] Ibid.
[103] Ibid.
[104] So important was the rebellion to the completion of the CPR, its general manager and vice president joked that the CPR should have erected a monument to Riel. See John F. Conway, *The West* (Toronto: James Lorimer & Company Ltd, 2006), 44.

only east-west tie between formerly separate colonies was abstract legislation that had little if any influence on the practical realities of a vast land. With the completion of the railroad, there was an immediate conduit for goods, service, people, and information to travel along a border that was, until then, more theoretical than tangible. It set the stage for a continued east-west political-economic arrangement. Driven by the quest for wealth and sponsored by the Canadian state for the purposes of nation building the CPR illustrates a political-economic system creating a territorial project that facilitates its continued existence. Canadian capitalists built the railroad to maximize profit, and once the railroad was built it facilitated the continued predominance of the capitalist system by cementing a new national economy and the persistence of trade between east and west.

Settlement of the Canadian West[105] was critical for the implementation of the National Policy, and the incorporation of Canadian territorial space across the area dramatically transformed its landscape. Like the railroad,[106] the "opening" of the West has been romanticized throughout Canadian history, ultimately becoming a "key element in Canada's national narrative."[107] However, despite this romanticized popular image, settlement of the West was done for strictly economic reasons, providing vital pieces of the legislative and physical

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[105] In this context, "Canadian west" refers to the areas between British Columbia and Ontario. Though certainly geographically in Canada's "west," British Columbia was at that point a developed colony. As John Conway explains, "the Prairie region entered Confederation as a colonial possession of the Dominion government. B.C. negotiated the terms of Confederation as a fully-fledged British colony." See Conway, *The West*, 11.

[106] Pierre Berton, *The Last Spike: The Great Railway, 1881-1885* (Toronto: Anchor Canada, 2001).

[107] Gregory Marchildon, "Introduction to *Immigration & Settlement, 1870-1939* in Gregory Marchildon (ed.), *Immigration & Settlement, 1870-1939* (Regina: Great Plains Research Center, 2009).

infrastructure that served to produce Canadian territorial space. The West

provided Central Canada with a market for manufactured goods. As such, the

West became "a captive of Central Canadian capital," serving as a "frontier for

Central Canadian investment, a market for eastern manufacturers, and a source of

consumers for the commercial trades of the St. Lawrence merchants."[108]

Settlement of the West also served as a defensive mechanism to deter

annexation by the United States. The Hudson Bay Company resisted settlement,

believing that the establishment of agriculture in the area would undermine the fur

trade and threaten "the continuing control of the fur-traders."[109] The result was a

small population – 1,600 white settlers and 9,800 Métis – populated in a huge

tract of land.[110] Coupled with trade routes that actually favoured a north-south

orientation, conditions of the time made the area highly vulnerable for American

expansion.[111] In order to assert a sufficient claim for this territory, the national

government needed a larger population of Canadians to establish permanent

communities.

The government's program of settlement and immigration was initially

unsuccessful. In the 1870s, with the railway not yet complete, there was little to

attract settlers to the area, and those who did come from other provinces were

reluctant to stay and often migrated south to the United States. By 1890, were

about one million ex-Canadians in the US, about 17 per cent of Canada's entire

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[108] Brodie, *The Political Economy of Regionalism*, 100.
[109] Conway, *The West,* 14.
[110] Ibid.
[111] Ibid., 16.

population.[112] Aside from the lack of convenient rail transportation, there was an unfavourable view of the area in the popular imagination, born from "the memory of the grasshopper plagues of the 1870s" and the uncertainty of plentiful crop yields.[113] In short, the "inability of the Canadian West to attract and hold its own countrymen was a severe disappointment and a source of real concern" for policy-makers of the time.[114] Even the railroad's completion did not inspire a great inflow of settlers. It took another decade after the railroad's completion, in the 1890s, before significant settlement occurred.

Legislative and physical tools to attract immigration and settlement were accompanied by government- and corporate-sponsored advertisement campaigns that purveyed a romanticized picture of the West. The Canadian government had previously attempted to recruit settlers in the 1870s, but these attempts looked only to the British Isles, northwest Europe and the United States in an attempt to attract "loyal, English speaking, Protestant or easily assimilated immigrants."[115] A more extensive campaign came, however, when the CPR created its own immigration department and "produced a flood of posters, pamphlets, maps, and books in a variety of languages for distribution across Europe and the United States."[116] The campaign put forward a hyperbolically romanticized version of the Canadian West, a "paradise where newcomers would find every opportunity

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[112] Ibid., 21.
[113] John C. Lehr, John Everitt and Simon Evans, "The Making of the Prairie Landscape," in Marchildon, *Settlement & Immigration*, 31.
[114] Ibid.
[115] Ibid.
[116] Daniel Francis, *National Dreams: Myth, Memory and Canadian History* (Vancouver: Aresnal Pulp Press, 1997), 23.

to achieve the good life."[117] This new official narrative described the Canadian

West as a place where those suffering from harsh conditions could find their

salvation.[118] Not only did this narrative serve a role in recruitment, it was itself a

complementary territorial practice to those physical practices such as the railroad

or legislative practices such as the tariff. While large infrastructure projects and

government regulations overtly facilitated the flow of goods, services, people, and

information, a national myth purveying a discourse of citizenship promoted

citizens to abide by that arrangement, particularly in an area adjacent to an already

established power such as the United States. The effort to manufacture a sense of

Canadian identity through advertising foreshadowed the growth of cultural and

nationalistic symbolism that would become prevalent in the twentieth century.

In addition to propagating a new national myth, settling the West required

a number of highly spatialized projects. As Lehr, Everitt and Evans state, when

"the [Hudson's Bay Company] formally ceded its vast territory of Rupert's Land

to Canada in the 1870s it was clear to the government of Canada that a number of

things had to be set in place: the establishment of law and order, the building of a

transcontinental rail link, the confinement of the Native peoples to their reserves,

and the survey of the land."[119] It took little time for the government to formalize

the already-longstanding marginalization of the area's Aboriginal population,

culminating in treaties with the Cree, Ojibway, Salteaux, Chippawayan,

Assiniboine, Dakota, Blackfoot, Blood, Piegan, and Sarcee nations. These

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[117] Ibid.
[118] R Douglas Francis and Chris Kitzan, "Introduction" in R. Douglas Francis and Chris Kitzan (eds.), *The Prairie West as Promised Land* (Calgary: University of Calgary Press, 2007), xi.
[119] Lehr, Everitt and Evans, "The Making of the Prairie Landscape," 17.

treaties left the Aboriginal peoples a small fraction of the land they had once

wandered, leaving them only with reserves.[120] Aboriginal space, long disregarded

by colonial interests, was relegated to agriculturally poor tracts of land, allowing

European settlers to purchase the cheap land offered to them by the new

Dominion government.[121]

Regulation and enforcement of the new spatial order was provided by the

Northwest Mounted Police (NWMP). Recognizing that the American

government had struggled containing its "Wild West," and needing to make sure

there was no violent resistance to the railroad, the Canadian government created

the NWMP in 1873.[122] Their primary responsibility was to "effectively occupy

the West for Canada until the growth of the population established Canadian

ownership beyond any doubt."[123] The establishment of the NWMP allowed the

government to assert sovereign authority over the West, explicitly enforcing its

territorial integrity and consciously protecting the new Canadian territory.

Furthermore, the NWMP also helped to enforce the Canadian identity, succeeding

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[120] Ibid.

[121] So instrumental to the Canadian project was the marginalization of the continent's Aboriginal peoples, Joyce Green argues that it constitutes a fourth pillar of the First National Policy: "The national policy is generally considered to have had three components: tariff-regulated international, especially American, trade; immigration and settlement; and the trans-Canada railway. The last two of these initiatives, especially, could not proceed without high-level consideration of how to handle Aboriginal nations. This consideration resulted in the fourth component: Canada's Indian policies of peripheralisation onto reserves controlled by government agents, the signing of treaties as a means of gaining control of land; and the defeat and dispersal of the Metis. See Joyce Green, "Decolonization and Recolonization in Canada" in Wallace Clement and Leah F Vosko (eds), *Changing Canada: Political Economy of Transformation* (Toronto: McGill-Queen's University Press, 2003), n4.

[122] RC MacLeod, "Canadianizing the West: The North-West Mounted Police as Agents of the National Policy, 1873-1905" in Douglas and Palmer, *The Prairie West*, 227.

[123] Ibid., 226.

"so well in transplanting Eastern Canadian institutions and ideas to the West that [the institutions and ideas] became a part of the fabric of Western identity."[124]

Surveying the West assured that settlement would take place in an orderly fashion, and would set the pattern for settlement in the Prairie West for the next century. Abandoning the long-lot system that had been used by the Métis in Red River (itself the project of French colonialism), the government adopted a modified version of the American township and range system, efficiently dividing the land into a series of squares.[125] To Lehr, Everitt, and Evans, this was done in the most "straightforward and administratively simple fashion," and it imposed a degree of uniformity upon the land that ignored nearly anything standing in the way of this new space: "Disregarding all topographical obstacles, and excepting only Indian reserves and the rare river lot, the land was subdivided into townships six miles square, each further subdivided into mile square sections which in turn were quartered into 160 acres then thought to be the optimum size of a farm for a pioneer farmer."[126] Sections were set aside for schools as well as private interests in the HBC and railroad companies. The resulting pattern "did much to set the look of the landscape over almost all of prairies until present day, and certainly deepened the sense of isolation and alienation experienced by many immigrants carving out homesteads on the vast sweep of prairies."[127] The landscape of the Prairie West indeed still reflects early survey lines drawn across the land, with roads following these lines and dividing fields of different crops into a

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[124] Ibid.

[125] James M. Richtik, "The Policy Framework for Settling the Canadian West, 1870-1880" *Agricultural Policy* Vol. 49. No. 4 (October 1975), 615.

[126] Lehr, Everitt, and Evan, "The Making of the Prairie Landscape," 17.

[127] Ibid., 18.

checkerboard pattern, a project of intense physical transformation that still serves as striking reminder of early Canadian territorial space.

Though settlement and the railroad were critical in creating the national economic union, they would not have had the desired effect without the third pillar of the First National Policy: the national tariff.[128] Established in 1879 and completed in 1887, the tariff fluctuated between 10 and 50 percent, depending on the degree of industrial processing.[129] Without the tariff, Fowke tells us, the railroad would have been ineffective in encouraging Central Canadian manufacturing; railroads "did not in themselves make it certain that manufacturing facilities would develop in the Central provinces to supply the outlying regions."[130] The tariff fostered interprovincial trade while discouraging international trade, and "Canadian manufacturers would be assured as fully as possible the exclusive rights to the total Canadian markets."[131] The tariff demonstrates how legislation and regulation act to produce territorial space: without the tariff, it is highly likely that those settlers who found their way to Western Canada would have preferred the cheaper and closer goods available to them in the United States. The tariff assured the east-west economic linkages needed by Central Canadian elites, and facilitated the flow of goods and information that ultimately served to produce Canadian territorial space.

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[128] Like "the National Policy," the word "tariff" here is misleading in its singularity. The tariff was actually a number of tariffs - "a system of protective tariffs" – that have become colloquially known as the national tariff. See Fowke, *The National Policy and the Wheat Economy*, 62-65.
[129] Conway, *The West*, 23.
[130] Fowke, *The National Policy and the Wheat Economy,* 63.
[131] Ibid., 64.

Canadian territorial space did not develop evenly, and this uneven
distribution of economic and political power necessary for the emergence of
Canadian regionalism has remained a dominant feature of Canadian political
reality since. [132] Power was consolidated in Central Canada, as reflected by
implementation of the national tariff. The tariff ensured that settlers, drawn to the
West by fanciful promises of free and fertile land, were required to purchase
Canadian rather than American goods, which generally were both closer and less
expensive. Settlement was concentrated on the US border, surveying of the
Prairie West ensured that those settlers were isolated, and the best land was given
to the railroads. Regionalism did not emerge as an afterthought, the creation of
unfair treatment of one region by another; the emergence of regions and
regionalism was a central feature of the creation of Canadian territorial space. As
a project, Canada required uneven development. This began a long period in
which the Canadian national scale – as was the case with national scales around

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[132] Evidence of the uneven development associated with the First National Policy can be found in economic data from the time. Manufacturing output in the Maritimes is telling, for example. By the First National Policy and confederation, the Maritime Provinces already had mature manufacturing sectors; however, from 1870 to 1925, manufacturing output in the area grew a fraction of what it did in Quebec and Ontario. In that time period, manufacturing output in Ontario increased by 1231% and in Quebec by 963%. In contrast, the same indicator increased 427% in Nova Scotia, 322% in New Brunswick, and 26% in PEI. See Statistics Canada, *Historical Summary of Manufactures, by province, 1870 to 1925, all establishments irrespective of the number of employees.* [Online] Available: http://www65.statcan.gc.ca/acyb02/1927/acyb02_19270407001b-eng.htm (Retrieved August 31, 2011). Meanwhile, the Wheat Boom brought upon a period of staple-dependant prosperity for the Prairie West, but the collapse of the price of wheat coupled with the drought of the 1930s meant collapse in this economy as well, putting further emphasis on the inequality of economic development within the country. As the Sirois-Rowell commission noted, "the Central Provinces, with a more diversified economy and with their access to the national pools of wealth, had much the most secure and advantageous position" to deal with economic fluctuations. See Donald Smiley, *The Rowell-Sirois Commission: An Abridgement of Book I of the Royal Commission Report on Dominion-Provincial Relations* (Toronto: McClelland and Stewart, 1967), 147.

the world – would be the primary site of economic development, with regions and regionalism as important features in Canadian territorial space.

Given the geographically uneven distribution of economic and political power, it is perhaps unsurprising, then, that the discontent with regionalism in Canada is as old as the country itself. According to Conway, however, the common romanticization of settlers' struggles hides the real grievances of early western residents: "A close examination of the record shows that from the outset, the farmers' agitations had more to do with senators than seasons, with railway charges than grasshoppers, with land policies than frost, with tariffs than poor yields – indeed, with the man-made calamities wrought by a distant political and economic system than with the natural disasters faced and overcome."[133] These grievances surrounded two realities related to the state: the national development strategy and the country's new political framework. According to Brodie, in "particular, they opposed credit, railway, and tariff policies that successfully drew wealth from the western hinterland to the commercial and industrial centres of Central Canada, as well as the federal two-party system, which appeared to represent the interests of only the commercial, industrial, and financial elites to the exclusion of the farmers."[134] Fundamentally, discontent came from the concentration of economic and political power in Central Canada. Given that the uneven spatial distribution of power was a basic feature of the project, these Westerners were ultimately unhappy with the most basic facets of the new country. According to Conway, "Confederation had worked and wheat had made

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[133] Conway, *The West,* 32.
[134] Brodie, *The Political Economy of Canadian Regionalism*, 121.

it work. Yet it was to be precisely the underpinnings, the very economic foundation of Confederation – a trans-continental railway, a protective tariff, the settlement policies ... from which the settlers' grievances began to spring."[135]

The Second National Policy

If Canadian territorial space was initially produced using the territorial tools it inherited by the early staples economy and elements of the First National Policy, territorial space was both transformed and strengthened through a series of national programs and policies that political economists have deemed the *Second National Policy*. According to Brodie, the Second National Policy's reign was "relatively short" and contained three "fundamental strands": the development of social welfare programs; the implementation of Keynesian-inspired, demand-management fiscal and monetary policies; and a commitment to a liberalized international trading regime, especially with the United States.[136] This shift in economic development was prompted by turbulence at the beginning of the twentieth century. "Political unrest, especially among labour, grew throughout the 1930s and into the early years of the 1940s. By the mid-1940s, the question was not whether there would be a postwar social settlement but rather which federal party would negotiate it."[137] The public called for the government to address the weaknesses they perceived in the Canadian capitalist system.

The government responded by appointing the Royal Commission on Dominion-Provincial Relations, colloquially known as the Rowell-Sirois

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[135] Conway, *The West*, 36.
[136] Brodie, "The New Political Economy of Regionalism," 253.
[137] Janine Brodie, "Citizenship and Solidarity: Reflections on the Canadian Way" *Citizenship Studies* Vol. 26 No. 4 (2008), 383.

Commission.[138] Commissioned in 1937, the Rowell-Sirois Commission's 1940

report called for a dramatic change in the governance of Canada's political

economy and the relationship between the federal and provincial governments.

The commission found that the policy areas, which were constitutionally granted

to the provinces, were a cripplingly expensive, and that aid from the Dominion

government was used inefficiently and without accountability.[139] The

commission's final report recommended a redistribution of the federal and

provincial tax sources, revenue, and responsibilities:

> The federal government was to have exclusive access to personal and
> corporate taxes and to inheritance taxes and was to assume responsibilities
> for deadweight provincial indebtedness and relief for unemployed
> employables. The master-objective was interprovincial fiscal equalization,
> a regime in which all provinces would be in a position to cause to be
> provided, as they chose, financial and taxation at rates above the national
> average.[140]

The Rowell-Sirois report was largely discounted because of the government's pre-

occupation with the war and opposition from the provinces,[141] but its call for

greater intervention into the economy by the federal government was a sign of

things to come in the post-war years.

    The post-war period in Canada was one of government expansion,

implementing the largest expansion of social welfare programs in the country's

history. Before the Second World War had even ended, Canada enacted its first

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[138] Smiley, *The Rowell/Sirois Report*.

[139] Ibid., 176-178.

[140] Donald Smiley, "Canada and the Quest for a National Policy," *Canadian Journal of Political Science* Vol. 8 No. 1 (March 1975), 46.

[141] Ibid., 47. In addition to not being fully adopted by the government, the Rowell-Sirois commission's report was also soundly criticized by none other than Harold Innis, who suggested that the report's analysis and recommendations did not address the fundamental "disequilibrium" in the Canadian economy. See Harold Innis, "The Rowell-Sirois Report" *Canadian Journal of Economics and Political Science* Vol. 6 No. 4 (Nov. 1940).

pieces of universal welfare legislation in the Old Age Pension and the *Family Allowance Act*, which giving a direct monthly payment to Canadian families.[142] In the years following the war, the government implemented programs including publicly-funded income security initiatives, public health insurance, and the Canada Assistance Plan.[143] Though these programs paled in comparison to those being employed by European social welfare states and were rarely universal,[144] they were nevertheless framed in the language of universality; social "security was to be the possession of all citizens and not simply some in need."[145]

Though the implementation of universal social welfare programs in the mid-twentieth century lacked the same physical spatial effects of the railroad or settlement of the West, it nevertheless acted very much as a territorial practice through the production of a national social citizenship. Despite the government- and corporate-sponsored propaganda romanticizing Canada in the nineteenth century, a sense of Canadian identity and nationalism remained elusive in the twentieth century, requiring the federal government to promote its own interpretation of Canadian nationalism. The postwar decades saw a number of interventions by the government designed explicitly to create Canadian nationalism and a uniquely Canadian citizenship identity. The adoption of a national flag, recognition of *Oh! Canada* as the Canadian national anthem, and

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[142] Brodie, "Citizenship and Solidarity," 383.

[143] Isabella Bakker and Catherine Scott, "From the Postwar to the Post-Liberal Keynesian Welfare State" in Wallace Clement (ed), *Understanding Canada: Building on the New Political Economy* (Montreal: McGill-Queens University Press, 1997), 290.

[144] Brodie also demonstrates that programs were gendered, stating that "Social security programs tended to be constructed for the male breadwinner while social welfare, usually less generous and means-tested, were reserved for women and other fringes of the paid labor force." See Brodie, "Citizenship and Solidarity," 383.

[145] Ibid.

the implementation of the Citizenship Act[146] embodied the federal government's strategic attempts to manufacture a Canadian citizenship and identity meant to assure that citizens would accept a political and economic arrangement that had been manufactured by business and political elites only decades earlier. In the lexicon of Foucault's governmentality,[147] the Canadian state and identity would become part of its political rationality, and individuals would self-govern through their strong belief in Canada as common sense or natural.

Further attempts to strengthen the Canadian identity were made throughout much of the twentieth century. The Canadian Broadcast Corporation, which had been established in 1932 and served as the government's main information medium in the war years,[148] saw its scope greatly expanded following the war, reaching across the country through the appropriation of private broadcasters' frequencies, eventually expanding to television.[149] The National Film Board, another wartime information machine,[150] had its scope similarly expanded in postwar decades as a vehicle to bring "film to Canadians in all parts of the country and thereby interpret one part of Canada to the other."[151] Other

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[146] Ibid.

[147] Rose and Miller, "Political Power Beyond the State;" Mitchell Dean, *Governmentality: Power and Rule in Modern Society* (London: Sage Publications, 1999).

[148] Marc Raboy, *Missed Opportunities: The Story of Canada's Broadcasting Policy* (Montreal: McGill-Queen's Press, 1990), 69-72. Raboy also discusses the effect that the CBC's role during the war had on its status in Quebec, suggesting that its bias towards the "yes" side in the conscription debate alienated Quebec, whose population was strongly against mandatory conscription in the war effort.

[149] Ibid., 85-93.

[150] Gary Evans, *In the National Interest: A Chronicle of the National Film Board of Canada* (Toronto: University of Toronto Press, 1991) 3-4. Evans, falling somewhat victim to environmental determinism, ponders the role of the National Film Board in "connecting" Canadians: "Most of all, the Film Board was making Canadians feel *connected* in a country whose devouring geography constantly conspires to make them feel disconnected."

[151] Robert Winters, *Memo to Donald Cameron* 5 April RG 2, Series B-2, Vol. 172, file N-13. Ottawa: Privy Council Office. Library and Archives Canada, 1950) quoted in Ira Wagman, "The

culturally symbolic gestures by the government included recognition and provision of heritage sites, expansion of museums and galleries, the enactment of the Canadian Bill of Rights and the "funding of countless local, regional and national projects to celebrate Canada's centennial year (1967)."[152] Together with the social citizenship built through the new universal social welfare regime, these nationalist cultural institutions helped strengthen Canadian territorial space by maintaining the notion of Canada as a common-sense given in popular consciousness. Citizens' acceptance of the supposedly natural existence of Canada provided the Canadian territorial state legitimacy and security against those who would dissent against it. As Brodie outlines, the Canadian state "has played an inordinate role in trying to shape a national identity and to underwrite national unity in order to contain sub-national and ethnic conflicts and to build support for its many nation-building projects."[153]

Beyond the Canadian social welfare state, governments in the post-war Second National Policy also undertook more traditional "nation-building" projects and programs. These developments were often in the form of large-scale infrastructure projects, and were much more in-line with the more conventional, physical territorial practices such as the transcontinental railroad. The trans-Canada highway, a joint project between the federal and provincial governments, was completed in 1971, modernizing the east-west transportation corridor

Woods Gordon Report, Accountability, and the Postwar Reconstruction of the National Film Board of Canada" *Journal of Canadian Studies* Vol. 42 No. 1 (Winter 2008), 99.
[152] Brodie, "Citizenship and Solidarity," 385.
[153] Ibid, 381.

originally produced by the railroad.[154] The Trans-Canada pipeline, a natural gas

pipeline that transports gas from the fields of Western Canada to Central Canada,

was completed – largely to discourage the expansion of American pipelines into

Canada[155] – in 1958.[156] These large-scale physical infrastructure projects served

to bolster Canadian territorial space through facilitation of the east-west economy.

The Second National Policy also involved programs and policies meant to

level out uneven economic spatial development, such as equalization. The

Rowell-Sirois report called for "National Adjustment Grants" that would assure a

standard level of services in every province.[157] Despite this early call for an

equalizing program, the recommendation was not implemented and a similar

program was not employed until 1957.[158] The program that began in 1957 was

put into effect to offset regional discrepancies in a set of tax sharing agreements

between the federal and provincial governments.[159] The equalization program

would undergo significant evolution in the following decades, [160] culminating in

its inclusion in the constitution.[161] The formula for equalization payments has

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[154] The *Trans-Canada Highway Act (1949)* established the legislative framework for this cost-share program, based on a 50-50 funding arrangement. The act requires various amendments to facilitate the growing scope of the commitment. See Allison Paison, *Federal Participation in Highway Construction and Policy in Canada*. (Ottawa: Library of Parliament, 2006).

[155] See J.G.J. Aitken, "The Midwestern Case: Canadian Gas and the Federal Power Commission," *Canadian Journal of Economics and Political Science* Vol. 25 No. 2 (May 1959).

[156] The Trans-Canada pipeline was not completed without its share of controversy. In addition to difficulties securing funding for completion of the project, it became the subject of a nation-wide debate.

[157] Thomas J. Courchene, *Equalization Payments: Past, Present, and Future* (Toronto: Ontario Economic Council, 1984), 25.

[158] The influence of the Rowell-Sirois report in equalization should not be dismissed; the equalization provisions in the *Constitution Act* 1982 reflected nearly identically the report's call for National Adjustment Grants. See Courchene, *Equalization Payments*, 26.

[159] Ibid., 36.

[160] For a thorough survey of the early history of equalization payments, see Courchene, *Equalization Payments*, Chapter Two.

[161] *The Constitution Act, 1982*, being Schedule B to the *Canada Act 1982* (UK), 1982, c 11.

since become "extremely complex"[162] with its share of controversy,[163] but has

remained consistent in its goal of addressing the structural inequalities in spatial

economic development across Canada.

Similarly, a vast array of regional development programs were created in

this period: the Agricultural and Rural Development Act (ARDA) in 1966; the

Atlantic Development Board of 1962-63; the Area Development Agency of 1963

and the Fund for Rural Economic Development in 1966.[164] In 1969, the

Department of Regional Industrial Economic Expansion was established, later

renamed the Department of Regional Industrial Expansion (DRIE), to designate

those parts of the country that needed economic assistance "and then to provide

grants to firms that would locate or expand existing operations in such areas."[165]

Together, the equalization program and regional development programs

represented an attempt – unique to the Canadian project – at spatial equality

through the Canadian welfare state. While social programs were implemented to

engender a universal social citizenship, spatial programs sought to ensure that

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[162] Rand Dyck, *Canadian Politics: Critical Approaches, 3rd Ed* (Scarborough: Nelson Learning, 2000), 56.

[163] Most recently was controversy of the inclusion of non-renewable resource revenue in the equalization formula. Preceding the 2006 federal election, the Conservative Party of Canada ran on a platform that included excluding non-renewable resources from equalization. However, following the party's election it maintained inclusion of non-renewables in the formula, prompting Saskatchewan to launch a Supreme Court case challenging the formula. The legal challenge was dropped after the November 2007 Saskatchewan election when the Saskatchewan Party took power.

[164] Regional development programs did not develop only after the beginning of the Second National Policy, however. The Prairie Farm Rehabilitation Administration in 1935 and the Maritime Farm Rehabilitation Act of 1948 predate the Second National Policy. It wasn't until the 1960s, however, that such programs became a common tool for evening out spatial inequalities. See Dyck *Canadian Politics*, 58.

[165] Ibid. It should also be noted that after 1967, a number of regional development agencies were formed and continue to operate today, including the Atlantic Canada Opportunities Agency, Federal Economic Development in Northern Ontario, Western Economic Diversification Canada and the Canada Economic Development Office for Quebec Regions.

members of society in all parts of the country could participate in this social citizenship. Social programs attempted to alleviate class pressures, regional programs attempted to ease spatial pressures.

In addition to the expansion of the Canadian social welfare state, cultural and nationalist symbolism and the accompanying sense of Canadian social citizenship, the Second National Policy also involved a commitment to Keynesian economic policy. Named after the influential economist John Maynard Keynes, Keynesian economic theory was a liberal doctrine that looked to state intervention in the economy to stabilize the fluctuating tendencies of modern capitalism: "In an elegant fashion, Keynes argued that during periods of heavy unemployment governments should use its taxing and spending powers (fiscal policy) to offset loss in private incomes. Conversely, during economic booms, government should contract its activity and accumulate a surplus to meet hard times."[166] As Keynesianism became a fundamental part of the international political rationality, it also became the guiding policy framework for Canadian politicians and public servants. John Kenneth Galbraith notes that Canada "was perhaps the first country to commit itself unequivocally to a Keynesian economic policy."[167] The Bretton Woods international economic framework, bolstered by the International Monetary Fund (IMF) and World Bank, which at that time had a dramatically different mandate than today, facilitated a system that allowed for domestic

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[166] Bakker and Scott, "From the Postwar to the Post-Liberal Keynesian Welfare State," 287.
[167] John Kenneth Galbraith, "How Keynes Came to America" in John Kenneth Galbraith and Andrea D Williams (eds), *The Essential Galbraith* (New York: Houghton Mifflin, 2001), 243. Also quoted in Smiley, "Canada and the Quest for a National Policy," 48.

control over national economies. Such an arrangement allowed Canada to pursue

fiscal policies consistent with its asserted authority over territorial space.

However, strengthened as Canadian territorial space was, the Second

National Policy also included early signs that the national scale would be

reconstituted by its commitment to the continental economy. The "golden age" of

Fordism following the Second World War provided "buoyant foreign markets for

Canada's primary commodities of hydro-electricity, oil and gas, and metals."[168]

The United States emerged from the war as the new economic centre for these

materials, replacing Great Britain as the primary destination of Canada's foreign

exports.[169] Furthermore, the manufacturing industry in Canada – concentrated in

Central Canada – had long been characterized by the branch plants of American

corporations, which initially emerged to skirt the tariffs employed in the First

National Policy.[170] The continental economy began a spatial and scalar shift.

While the Second National Policy undoubtedly signaled a great effort of nation-

building, through both infrastructure and social policy, the emphasis on bilateral

trade relations and the branch-plant economy represented the emergence of a

rescaling and economic continentalization. Within the context of an expanded

role for the national state, the increasingly continental nature of the Canadian

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[168] Gregory Albo and Jane Jenson, "Remapping Canada: The State in the Era of Globalization" in Clement, *Understanding Canada*, 227.

[169] Ibid.

[170] Williams and Clement explain the emergence of the branch plant economy, which began during the First National Policy: "With geographic proximity to the United States, a tariff-protected domestic market, and concessionary tariff privileges within the British Empire, Canada was an obvious location for American branch plants. Through takeovers of existing Canadian manufacturing firms (often already linked to them through licensing arrangements) and establishment of new subsidiaries, American industrialists consolidated their prominence in Canada's most dynamic industrial sectors by the 1920s." See Wallace Clement and Glen Williams, "Resource and Manufacturing in Canada's Political Economy," in Clement, *Understanding Canada*, 55-56.

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economy symbolized the emergence of a renewed continental space. In the words of Jane Jenson, Canada's post-war Fordism "was designed domestically but always with an eye to the continental economy."[171] Complicating national dominance in Canada further was shifts in the balance of economic and political power between subnational and the national government as the Canadian political economy evolved across the 20th century. Despite the original intentions for Confederation to be characterized by a strong central government, as initially set out in the British North America Act, a series of constitutional decisions and the growth of provincial resource extraction, the provinces gained a great deal of autonomy from the federal government, and, by the 1970s, resource-rich provinces such as Alberta and Saskatchewan actively challenged the authority of the federal government's economic policy-making capacities. This resistance, sometimes termed as province-building, accelerated the decentalization of power and directive capacities, making Canadian Confederation highly decentralized.[172] Such decentralization put further pressure on Canadian territorial space, making efforts to even out regional disparities more difficult. Together, decentralization and continentalization worked as contradictory forces within the Second National Policy, also serving as signs that a strengthened Canadian territorial space would be prone to its own transformations Much like the conditions for the production of territorial space were present pre-confederation within the expansion of

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[171] Jane Jenson, "'Different' but not 'exceptional': Canada's Permeable Fordism" *Canadian Review of Sociology and Anthropology* Vol. 26 No. 1 (February 1989), 78.
[172] For an account of Canada's decentralized federalism through a political economy approach see Garth Stevenson, *Unfulfilled Union: Canadian Federalism and National Unity* (Toronto: Gage Publishing, 1982), 72-93.

European imperial space to North America, so too were the conditions for the reconstitution of this space present in the nation-building of the twentieth century.

Conclusion

The production of Canadian territorial space provides a fitting example of how capital accumulation affects space, and how the nation-state provided a historically specific spatial arrangement suited for accumulation. Beginning with the arrival of European explorers and the emergence of the early staples economy, the land that would one day become Canada was assimilated into European imperial space, without the approval or consent of those peoples already inhabiting the land. Through transformation of the physical landscape and the reorientation of economic and political spatial organization of the land, this early imperial space led to a capitalist spatial organization. Because other, less arduous arrangements with the United Kingdom and United States were impossible, this capitalist spatial organization came in the form of the Canadian state, and Canadian elites pursued the production of a Canadian territorial space in order to secure capitalist accumulation. The First National Policy provided the tools for the production of this space through the construction of a transcontinental railroad, settlement of the then-sparsely-populated Canadian West, and a national system of tariffs. Thus, the national state that appeared guaranteed that the national scale would be the primary site of economic development strategies for the time-being.

Canadian territorial space was strengthened in the twentieth century through the Second National Policy, a series of interventionist programs and

policies that saw the massive expansion of the Canadian social welfare state, cultural institutions, and nationalistic symbolism. During this time, the government pushed for the entrenchment of a Canadian identity and legitimacy of Canadian citizens, many of whom lived in areas marginalized by the status quo arrangement. The Canadian state, through these programs, remained a dominant feature in economic development within its borders. However, there were early signs of a shift to a new spatial arrangement. The increased level of continental economic integration signaled a future transformation of space and the role of the Canadian state as the primary scale of economic development.

The coming shift had the potential to influence the place of Canadian regions and the study of Canadian regionalism. Those theories of Canadian regionalism examined in chapter one were products of this time, when the Canadian nation state and Canadian territorial space became so profoundly associated with the period's international political economy. It is little surprise, then, that they examined Canadian regions from the perspective of them being contained neatly into the finite and certain Canadian territorial container. That such theories were vulnerable to falling into Agnew's territorial trap was veiled by the overwhelming acceptance of the territorial state in the Cold War era. The nation state was very much an important component of the accepted political rationality of the time, and it accordingly seemed at the time to make little sense to examine Canadian regions as anything but different geographic entities within the country. However, the late twentieth century and early twenty-first have made these assumptions difficult to maintain, and the muddled scalar and spatial

realities discussed in chapter one have complicated the configuration of Canadian

space.

Chapter Three – The New West Partnership

Introduction

Chapter Two explored the historical processes that led to the establishment of Canadian territorial space from pre-colonial Canada to the First National Policy and Confederation to the Second National Policy and the emergence of Canada's postwar welfare state. This thesis argues that as the Canadian political economy has changed so too has its spatial logic. The founding of Canada was a direct result of the processes associated with a form of capitalist accumulation that required a national economy to survive. In the twentieth century, the national state built by these processes remained a highly important site of economic development. Throughout this time, Canadian regionalism has evolved as a characteristic of the Canadian project, and regions have been accordingly understood as entities existing within a finite and bordered Canadian "container." But what of regions if Canadian territorial space comes under pressure from other emergent scales? This chapter discusses the spatial consequences of Canadian neoliberalism and examines Canadian regionalism in a time of rescaling through the example of the New West Partnership, a regional economic agreement that demonstrates the complexity of Canadian regionalism in the era of "globalization."

Canada and the Neoliberal Project

Scholars have documented the Canadian turn from Keynesian economic principles to neoliberalism since the 1980s. The election of Brian Mulroney's Progressive Conservative government in 1984 signaled the arrival of a

government committed to the neoliberal principles already espoused by the

Thatcher government in the United Kingdom and the Reagan administration in the

United States.[173] The next decade, provinces followed suit; led by Ralph Klein in

Alberta (1992) and Mike Harris (1995) in Ontario, provincial governments –

including those led by the social democratic New Democratic Party (NDP) in

British Columbia and Saskatchewan[174] (1992) – swiftly implemented neoliberal

agendas.[175] The flagships of the neoliberal turn were the FTA and its successor,

NAFTA. The ideological project of Canadian neoliberalism had immediate

spatial implications in breaking down national borders, especially those with the

United States.

The Canadian left treated the Canadian neoliberal turn as an assault on

Canadian sovereignty, the welfare state, and identity, largely conducted by

external (American) forces assisted by complicit domestic elites. In his book *The*

Vanishing Country, Mel Hurtig outlined what he saw as the "sellout of Canada,"

conducted by a "selfish, grasping, and greedy plutocracy abandoning the work of

generations of Canadians, and the dreams of the vast majority of the people who

live in this country, for American standards and values and priorities."[176] Maude

Barlow was another frequent critic of neoliberalism's threat to Canada, writing a

number of books criticizing international organizations such as the World Bank

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[173] Gregory Albo, "Neoliberalism, the State, and the Left: A Canadian Perspective" *Monthly Review* Vol. 54 No. 1 (May 2002).
[174] Malcolm Fairbrother uses the example of NDP provincial governments adopting neoliberal policies as evidence of the effects of globalization. See Malcolm Fairbrother, "The Freedom of the State? Recent NDP Governments and a reply to the Globalization Skeptics" *Canadian Review of Sociology* Vol. 40 No. 3 (August 2003).
[175] Ibid.
[176] Mel Hurtig, *The Vanishing Country*, xiii.

and International Monetary Fund (IMF) for their neoliberal agendas[177] as well as

the Canadian government for its willingness to acquiesce.[178] Resistance to the

FTA and NAFTA was fierce, proving to be the defining issue of the 1988 election

and the genesis for future popular struggles over the Multilateral Agreement on

Investment (MAI) and globalization more broadly.[179] Free trade opponents'

worries were accompanied by academic explanations of the effects of

globalization on Canada.[180] Stephen Clarkson suggested that the increasing

mobility of corporate interests would result in the Canadian economy becoming

"ever more entangled in these corporate systems that cross its national borders,

and its national sovereignty [would] continue to diminish."[181]

The critical theories outlined in Chapter One suggest that perhaps reality is

not so simplistic, and that the new dominant political rationality is more

complicated than what Clarkson and others suggested. While Canadian

governments have certainly adopted neoliberal strategies and policies with zeal,

critical spatial theories argue that the processes associated with neoliberal

globalization do not result in the simple dismantling of states such as Canada.

The national, they remind us, remains a far stronger and more developed scale

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[177] Maude Barlow and Tony Clarke, *Global Showdown.*

[178] Maude Barlow and Bruce Campbell, *Straight Through the Heart: How the Liberals Abandoned the Just Society* (Toronto: HarperCollins, 1996). This period also marked a rupture between Hurtig and Barlow and within Canadian nationalist circles with Hurtig focusing on the influence of the United States and Barlow pointing her energy to ideology and Canadian political elites. For an account of the split, see Maude Barlow, *Fight of My Life: Confessions of an Unrepentant Canadian* (Toronto: HarperCollins, 1999).

[179] Jeffrey Ayres, *Defying Conventional Wisdom: Political Movements and Popular Contention against North American Free Trade* (Toronto: University of Toronto Press, 1998).

[180] Gary Teeple, *Globalization and the Decline of Social Reform 2nd Ed.* (Toronto: Garamound Press, 2000); William Tabb, *Unequal Partners: A Primer on Globalization* (New York: New Press, 2002); Kinichi Ohmae, *The End of the Nation State* (New York: Free Press, 1995).

[181] Stephen Clarkson, *Uncle Sam and Us: Globalization, Neoconservatism and the Canadian State* (Toronto: University of Toronto Press, 2002).

than those lamenting the downfall of the state would suggest. Instead, these theories suggest that the Canadian national state, the product of over a century of capitalist and political development, is subject to a reconstitution vis-a-vis other scales, with its dominance under contention but without another scale taking its place.

How, then, do the processes of globalization affect Canadian regionalism? If Canadian regions and regionalism emerged as inherent parts of the Canadian national project, then certainly processes that reconstitute the national state will have some sort of effect on them as well. Recent events provide an opportunity to explore how regionalism has reacted to these forces. In particular, Western Canadian provinces have taken steps towards formalizing a Western Canadian region through a series of internal free trade agreements. The most recent of these agreements, the New West Partnership, represents an attempt by Western Canada to move beyond a strictly Canadian understanding of regionalism and actively promote itself as a distant space in the international political economy. By examining these events, we can understand how regionalism expresses itself in a neoliberal Canadian space as well as how forces of globalization have transformed our understanding of Canadian regionalism.

Neoliberal Canadian Space

The history of Canada until the late twentieth century was one of increasing importance of the national scale. The Canadian territorial state was founded to provide a national economic union for the benefit of Canadian capitalism, and the importance of the national state continued in the twentieth

century, when Keynesian embedded liberalism utilized the national state as its dominant scale of economic development. Historically specific versions of capital accumulation have created the historically specific expressions of Canadian territorial space. When the post-war Keynesian project came to an end in Canada, so too did its specific spatial expression, providing the opportunity for a new political rationality to emerge, complete with its own spatial logics.

That new rationality and spatial organization was filled by neoliberalism. While the Second National Policy attempted to level the playing field for regions, neoliberal rejected this. Similar to how the neoliberal rationality suggests that the individual must remain self-sufficient, it also argues that subnational jurisdictions such as provinces should pursue their own prosperity independent of federal assistance. To neoliberalism's advocates, attempting to equalize spatial economic inequality amounts to government interfering with market forces; if one area of the country is more prosperous than another, it is because the market has dictated it, and governmental attempts to reverse that inequality is an inefficient distortion of the market. Those who wish to prosper should simply move to prosperous regions. The fiscal implications of this logic, present in governments both Conservative and Liberal, have included a reduction in financial support for provinces by the federal government and the downloading of responsibility to the provincial level. Initially, the Mulroney and Chretien governments made incremental cuts to the individual programs implemented in the Second National

Policy.[182] This incremental pace accelerated, however, with 1995 federal budget,

delivered by Liberal Minister of Finance and future Prime Minister Paul Martin.

The 1995 replacement of two previous transfers – the Established Programs

Financing Transfer and the Canada Assistance Plan – into the Canada Health and

Social Transfer was accompanied by a rapid decline in the amount of funding

transferred to the provinces.[183] The nature of the programs changed as well, with

the federal government transitioning from cash transfers to a mixture of cash and

tax credits.[184] The decision had spatial consequences, as those "have-not"

provinces that were more dependent upon federal transfers benefited far less from

tax points than cash transfers, and were left without the financial means to fund

social programs.[185] Though equalization payments remained intact, the federal

government reduced its role in assuring a country-wide social citizenship and

retreated from assuring spatial equality in the provision of social programs across

the country.

     The decision to reduce the funding of programs and services by the federal

government is consistent with the neoliberal interpretation of space. Harmes

traces neoliberalism's spatial preferences to neoliberal stalwart Friedrich von

Hayek. Hayek advocated for "competitive" federalism that forces market

[182] Stephen McBride and Kathleen McNutt, "Devolution and Neoliberalism in the Canadian Welfare State: Ideology, National and International Conditioning Frameworks, and Policy Change in British Columbia" in *Global Social Policy* Vol. 7 No. 2 (August 2007), 186.

[183] In 1993-94, federal transfers on health and social funding amounted to 4% of Gross Domestic Product (GDP); by 1997-98, it fell to 2.9%. Furthermore, though the Liberal government in the 1990s attempted to restore funding when it enjoyed surplus budgets, funding levels as a proportion of GDP never approached its previous levels. See McBride and McNutt, "Devolution and Neoliberalism in the Canadian Welfare State;" and Stephen McBride, *Paradigm Shift: Globalization and the Canadian State* (Halifax: Fernwood Publishing, 2005).

[184] Dyck, *Canadian Politics*, 420.

[185] Ibid.

discipline on subnational governments through competition: "For neoliberals, the right to 'exit' a specific political jurisdiction is the primary self-enforcing check on government power."[186] In other words, private firms should be free to move from jurisdiction to jurisdiction in order to pursue the most advantageous business climate, forcing governments to compete for such firms' investment and effectively restricting government policies to those most favourable for private investment.[187] Rather than attempting to create a uniform environment where Canadian social citizens enjoy similar benefits of their citizenship across the country, the spatial organization of neoliberal Canada promotes a competitive atmosphere in which capital accumulation can be best accommodated by provincial devotion to market principles; if provinces deviate from those principles, firms should be able to freely move to other provinces.

Internal Free Trade

Within the context of a neoliberal spatial organization, jurisdictions attempted to formalize rules allowing free movement of goods, investment, and labour across provincial boundaries, the most noteworthy being the Agreement on Internal Trade (AIT).[188] The AIT process began during the constitutional negotiations of the late 1970s and early 1980s.[189] Spurred by the Pepins-Robarts

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[186] Adam Harmes, "The Political Economy of Open Federalism" *Canadian Journal of Political Science* Vol. 40 No. 2 (June 2007), 424.

[187] Ibid.

[188] Technically, the first internal free trade agreement in Canada was the British North America Act itself.

[189] Howard Leeson, *The Agreement on Internal Trade: An Institutional Response to Changing Conceptions, Roles, and Functions in Canadian Federalism* (Kingston: Queens University Institute of Intergovernmental Relations, 2000).

report,[190] the Trudeau government acted and submitted three proposed

constitutional changes, including entrenching mobility rights into the *Charter*,

strengthening Section 121 of the *British North America Act* and its provision

surrounding "impediments" to trade, and broadening the federal government's

power of trade and commerce under the *BNA Act*'s Section 91.[191] According to

Leeson, "most provinces reacted angrily to those proposals, not because they

objected in principle to strengthening the economic union, but because of the

linkage of these matters to natural resources and to the insertion of the courts as

'the umpire' [to] these matters."[192] Only the proposals "on mobility rights

eventually found their way into the agreement of November 1981, and subsequent

patriation of the constitution in April of 1982."[193]

There was little movement in the internal trade file until the period from

1987 to 1993, when "institutions and a general framework for internal-trade

negotiations emerged out of a series of collaborations between the federal and

provincial governments and their officials."[194] In 1987, the Committee of

Ministers on Internal Trade (CMIT) was created and in the next six years it

"directed its primary efforts towards conceptualizing a comprehensive framework

for internal-trade negotiations."[195] Simultaneously, talk of entrenching internal

trade stipulations into the constitution continued, culminating in its inclusion at

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[190] Specifically recommendations 20 through 23; see "A Future Together: Report of the Pepin-Roberts Task Force on Canadian Unity." [Online] Available: http://www.solon.org/Constitutions/Canada/English/Committees/Pepin-Roberts/ (Retrieved August 30, 2011).
[191] Leeson, "The Agreement on Internal Trade," 6.
[192] Ibid.
[193] Ibid.
[194] Bruce Doern and Mark MacDonald, *Free-trade Federalism: Negotiating the Canadian Agreement on Internal Trade* (Toronto: University of Toronto Press, 1999), 42.
[195] Ibid., 43.

the Charlottetown constitutional discussions. However, these provisions

remained unpopular with some provincial governments and died with the rest of

the Charlottetown Accord.[196] Pressure was added to the situation by the FTA and

NAFTA, which ensured that there would be free flow of goods between the three

North American countries. Those in the business community were quick to fault

a system that ostensibly tore down international trade barriers while allowing

interprovincial barriers to exist within Canada.[197] In 1992, Canadian First

Ministers agreed to construct an agreement with an enforcement mechanism by

June 1994.[198] Despite philosophical disagreements between various provincial

governments,[199] an agreement was reached in June 1994 and approved by First

Ministers the next month.[200]

The AIT seemingly pleased nobody. Those on the Canadian left, and

some within Canadian academia, brought forward critiques similar to those

lobbed against international trade agreements such as NAFTA. Stephen Clarkson

insisted that the AIT member governments' "objective was pure

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[196] Leeson, "The Agreement on Internal Trade," 7.
[197] An op-ed piece in the Financial Post lamented that "at the same time as Canada is heavily involved in negotiations to liberalize world trade, we have this domestic trade problem. If you think it's hard to get Japan to open its market further, or to get the European Community to be less protectionist on agriculture, try to bid on a provincial government contract if your company is not based in that province … In many cases, you'll be out of luck; the basic obstacles will be insurmountable or too costly to overcome." The piece also cites an estimated $6.5 billion in lost economic activity due to internal trade barriers. See Financial Post, "Tear Down Internal Trade Barriers" in *Financial Post* (August 7, 1993), S1.
[198] Ibid., 8.
[199] Leeson describes the dispute: "thus the negotiations surrounding the ambit of the agreement involved two distinctly different views of the world. The federal government and its provincial allies wanted a comprehensive agreement involving a large number of areas, while some of the provincial governments remained unconvinced of the need for such a "sledgehammer [to crush a walnut]." See Leeson, "The Agreement on Internal Trade," 11.
[200] Leeson, "The Agreement on Internal Trade," 12.

neoconservatism."[201] Perhaps unsurprisingly, unions were equally critical; Jane

Stinson from the Canadian Union of Public Employees (CUPE) argued that a

"central concern now and [when the AIT was signed] is that the goals of

liberalizing and removing trade barriers are really about privatizing public

services and giving a competitive advantage to large companies, particularly

[those] based in the United States."[202] Similarly, Brodie questioned the

characterization of differences between provinces as trade barriers, arguing that

"many provincial laws and regulations which are deemed to be trade barriers are,

in fact, legitimate policy responses to provincial needs for economic security,

environmental and consumer protection and social and safety standards."[203]

Criticisms also came from the right. While those on the left questioned

the *premise* of the document, critiquing the purpose for which the AIT was

implemented, others strongly suggest that the AIT has failed in executing a

worthwhile cause. Kathleen MacMillan and Patrick Grady were blunt in their

assessment of the agreement: "The AIT's failures are well documented: zero

progress in reducing agricultural barriers, the inability to negotiate an energy

chapter after 12 years of negotiations, and a failure by governments, when in the

wrong, to adopt six of the eight dispute settlement panel rulings."[204] Such

frustration among those who believed internal free trade to be beneficial seems

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[201] Clarkson here uses the term "neoconservatism" in a way that the term "neoliberal" is used in this paper and elsewhere, as a term to describe the economic philosophy of those advocating for greater freedom of markets, such as Milton Friedman.
[202] Jane Stinson, "Public Services, Public Control, and the AIT" *Asper Review of International Business and Trade Law* Vol. 2 (2002), 220.
[203] Janine Brodie, "Where Do We Go From Here? – Presentation to the National Conference 'Strengthening Canad: Challenges for Internal Trade and Mobility" *Asper Review of International Business and Trade Law* Vol. 2 (2002), 285.
[204] Kathleen E. MacMillan and Patrick Grady, "Can the BC-Alberta TILMA Resuscitate Internal Trade in Canada?" *CD Howe Institute Backgrounder* No. 106 (October 2007), 1.

common. In particular, the voluntary nature of the agreement disappointed many – especially in the context of the mandatory nature of the FTA and NAFTA – and authors criticized the ability of provincial governments to disregard rulings against them: "the AIT has been for the most part largely ignored; a result that is likely due to the fact that no effort was made to embed within the agreement any credible enforcement mechanism."[205] Such supposed flaws in the agreement have been given additional urgency in recent years as Canada has begun talks with the European Union for a Canada-Europe free trade agreement. Europe has expressed reservations regarding Canadian interprovincial trade boundaries. Free-trade advocates have taken this opportunity to renew calls for strengthening the AIT. Knox and Karabegovic, writing for the Frasier Institute, argued that "[i]nterprovincial barriers are and will remain a major roadblock in the current negotiations with the EU,"[206] encouraging the Canadian government to "use this trade negotiation as an opportunity to tackle the interprovincial barriers that have prevented Canada from achieving single economic market within our own country."[207] The left distrusted what the AIT stood for; the right was disappointed that it never lived up to its potential.[208]

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[205] David Andolfatto, "Interprovincial Trade and the TILMA." [Online] Available: http://www.sfu.ca/~dandolfa/tilma.pdf (Retrieved August 30, 2011).
[206] Robert Knox and Amela Karabegovic, "Canada's Problem with Interprovincial Trade Barriers: Canada-EU Free Trade Talks Hit a Roadblock" in *Frasier Forum* (July 2007), 20.
[207] Ibid., 21.
[208] It should be noted that the provinces have since signed on to the WTO's Agreement on Government Procurement and opened government procurement policies to international firms. This was largely a reaction to the "Buy American" provisions included in the American stimulus package following the economic downturn of 2008. See Scott Sinclair, "Canada Gives Away the Store in Return for scraps from US: Deal will tie hands of provincial governments to use procurement as a public policy tool" in *Toronto Star* (February 19, 2010), A.23; Helmut Mach, "Procurement Negotiations Token Gesture" in *Saskatoon Star-Phoenix* (June 25, 2009), A11.

TILMA

Discontent with the AIT left a vacuum in the internal trade eventually
filled by the timely coalescence of conservative provincial governments in
Western Canada. Alberta had long been a leader of neoliberal policies in Canada,
beginning with the 1993 election of Ralph Klein. When Klein was elected, he
made it his first priority to reduce the provincial deficit, implementing a program
to cut one quarter of public spending in four years.[209] Drastic cuts were made to
education, post-secondary institutions, health care, seniors benefits, social
services, and the public service.[210] By the early 2000s, Klein had become known
as a leader of Canada's "new right."[211]

British Columbia followed suit in the subsequent decade. Gordon
Campbell was elected in 2001 with an overwhelming majority – 77 of the
province's 79 seats[212] – making him "one of the most powerful premiers in
provincial history" and giving the Liberals "a sense of an unassailable mandate
built upon a 58 percent share of the vote."[213] While the preceding New
Democratic governments had created an academic debate regarding the extent to

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[209] Greg Flanagan, "Not Just about Money: Provincial Budgets and Political Ideology" in Trevor Harrison (ed.), *The Return of the Trojan Horse: Alberta and the New World (Dis)Order*, (Montreal: Black Rose Book, 2005), 124.

[210] Karen Hughes, Graham S. Lowe, and Allison L McKinnon, "Public Attitudes Toward Budget Cuts in Alberta: Biting the Bullet or Feeling the Pain?" *Canadian Public Policy* Vol. 22 No. 3 (September 1996), 270.

[211] With other symbolic harbingers of the "new right" such as Preston Manning's Reform Party (and the subsequent Canadian Alliance and Conservative Party of Canada) and the Mike Harris government of Ontario, many consider the Klein government to be the best example of neoliberalism and neoconservatism in Canada. See Brooke Jeffrey, *Hard Right Turn: The New Face of Neo-Conservatism in Canada* (Toronto: HarperCollins Canada, 2000).

[212] Norman J. Ruff, "Executive Dominance: Cabinet and the Office of Premier in British Columbia." In Michael Howlett, Dennis Pilon, and Tracy Summerville (eds), *British Columbia Politics and Government* (Toronto: Emond Montgomery, 2010), 214.

[213] Ibid.

which British Columbia had adopted neoliberal policies,[214] any doubt of British Columbia's direction was put to rest with Campbell. Personal income taxes were drastically cut,[215] leading to a considerable drop in revenue and subsequent "draconian" cuts in spending.[216] Spending was frozen in Health and Education and 11,700 provincial public service jobs were eliminated.[217] The Liberals made further changes in social policy: welfare eligibility was restricted; access to legal aid was reduced; medical service plan premiums were increased, as was post-secondary tuition; childcare subsidies were cut; before and after school programs were eliminated; health services such as podiatry and physiotherapy were delisted from the provincial health insurance program; and welfare eligibility and payments were reduced vis-a-vis the provincial poverty line.[218]

The British Columbia government confronted health care unions with hostility, introducing Bill 29, the *Health and Social Services Delivery Improvement Act*, which "unilaterally abrogated existing healthcare collective agreements, removed employment security provisions, rescinded anti-contracting-out clauses, and expedited layoffs."[219] British Columbia had joined Klein's Alberta and Harris' Ontario; Canada's "have" provinces took their place as standard-bearers for the country's neoliberal movement.

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[214] Steven Philips, "Party Politics in British Columbia: The Persistence of Polarization" in Howlett, Pilon and Summerville, *British Columbia Politics and Government,* 121.
[215] Ibid.
[216] Gregory Albo, "Neoliberalism, the State, and the Left: A Canadian Perspective" *Monthly Review*, Vol. 54, No. 1 (May 2002), 47.
[217] Philips, "Party Politics in British Columbia," 121-122.
[218] Stephen McBride and Kathleen McNutt, "Devolution and Neoliberalism in the Canadian Welfare State," 187-191.
[219] Alan Davidson, "The Politics and Policies of Health-Care Privatization in BC" in Howlett, Pilon, and Summerville, "British Columbia Politics and Government," 289.

With their governments philosophically aligned, British Columbia and Alberta took part in joint cabinet meetings between the two provinces' executive councils. At the first of these cabinet meetings,[220] the two provinces signed a "Protocol of Agreement" that "confirmed their commitment to explore opportunities for joint initiatives to expand provincial trade and investment opportunities and to reduce impediments to trade."[221] The second joint cabinet meeting, held the next year, produced a trade framework "to guide negotiation of a comprehensive bilateral agreement to enhance trade, investment and labour mobility."[222] A third meeting in 2005 confirmed their commitment to an agreement[223] and on April 28, 2006, the two provinces signed the Trade, Investment, and Labour Mobility Agreement (TILMA), which, in their words, created "the second largest economic region in Canada [behind Ontario], eliminating obstacles to trade, investment and labour mobility between the two provinces."[224] TILMA was met with widely mixed reviews. Neoliberal commentators heralded the arrival of a true internal free trade agreement in Canada.[225] Progressive economists questioned the need for such an agreement, suggesting that any idea of interprovincial trade barriers were "myths" propagated by corporate Canada in order to reduce the amount of policy differences between

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[220] The first cabinet meeting proved somewhat controversial, with some wondering if it was a sign of a unified opposition to the Liberal federal government, to which Klein responded that it might "send a message to the rest of Canada, but it's not meant to be an insult or a snub or a common front against Ottawa." See Darcy Henton, "Alberta, B.C. Cabinets Get Together to Share Ideas, But No Offence Intended" *Canadian Press Newswire* (October 1, 2003).

[221] TILMA Secretariat, "Key Dates" [Online] Available: http://www.tilma.ca/the_agreement_key_dates.asp. (Retrieved August 30, 2011).

[222] Ibid.

[223] Ibid.

[224] Ibid.

[225] Kathleen Macmillan and Patrick Grady, *A New Prescription: Can the BC-Alberta TILMA Resuscitate Internal Trade in Canada?* (Ottawa: CD Howe Institute, 2007).

provinces.[226] Similarly, civil society groups such as the Council of Canadians denounced TILMA as a background deal that amounted to a "corporate bill of rights for Western Canada."[227]

For its part, TILMA was surrounded with language consistent both with neoliberalism and with traditional notions of Canadian regionalism. Together, the provinces pledged to become more competitive. Differences in regulation between provinces were not considered the product of different priorities of elected governments, but rather interprovincial trade barriers. By reducing these barriers, the provinces suggested, the free market could act more efficiently, creating economic benefits for their residents. Campbell beamed that "Our larger economy and freer trade environment will build prosperity for both of our provinces and give us stronger economic voices as we attract investment and entrepreneurs, and offer a larger range of choices for consumers and for workers."[228]

The neoliberal language of efficiency and freer markets was coupled with language consistent with traditional understandings of Canadian regionalism. Campbell suggested that the agreement would be "noticed across the country."[229] The regional language was eagerly adopted by the media. A narrative heralded a regional shift of economic power. Commentary suggested that TILMA was a sign

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[226] Erin Weir and Marc Lee, *The Myth of Inter-Provincial Trade Barriers and TILMA's Alleged Economic Benefits* (Ottawa: Canadian Labour Congress, 2007).

[227] Council of Canadians, *Another Bad Deal for Canada: TILMA, Deep Integration and the Fight for Local Democracy* (Ottawa: Council of Canadians, 2007).

[228] Quoted in *The Montreal Gazette*, "Alberta, B.C. Sign 'Free Trade' Pact: Reducing Barriers Could Save Millions" (April 29, 2006), p A18.

[229] Quoted in Colin Campbell, "Let's Make a Deal, Western-Style" *Maclean's* Vol. 119 No. 31 (August 7, 2006), 22.

of "the ongoing westward shift in financial clout and corporate power,"[230] a

symptom of rapid Western Canadian economic growth while the traditional

economic centre of Ontario and Quebec began to falter. Important to remember,

however, is that at this point, the TILMA agreement itself had few references to

geographic specificity; nowhere in the agreement did language suggest its

provisions would be exclusive to a certain Canadian region. Though certainly the

narrative surrounding the agreement suggested it represented regional aspirations;

the language of the agreement itself remained. The only geographically specific

aspect of the agreement was its member signatories, and even this was considered

flexible as many pondered or advocated an eastward expansion of the

agreement.[231]

In Saskatchewan, TILMA proved highly contentious. The conservative

Saskatchewan Party Opposition was quick to accuse the Calvert NDP government

of missing an important opportunity for economic development. Saskatchewan

Party leader and Leader of the Opposition Brad Wall, who would become premier

in 2007, brought the issue to the legislature as soon as the deal was signed:

> Friday last week, a landmark deal was struck between the provinces of
> British Columbia and Alberta. The two largest provinces in Western
> Canada signed a deal on interprovincial trade and investment. The
> agreement creates the second largest economic region in Canada in terms of
> significance, maybe one of the most important economic regions on the
> continent — on an energy-starved continent. And once again, Mr. Speaker,
> the NDP government missed the boat.[232]

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[230] Ibid.,
[231] MacMillan and Grady, "Can the BC-Alberta TILMA Resuscitate Internal Trade in Canada?"
[232] Saskatchewan Legislative Assembly, *Debates and Proceedings* Vol. 48 No. 50A (Monday, May 2, 2006), 1440.

The opposition questioned the government over its lack of participation in the agreement for a year, calling the government "on the outside looking in" and "far behind the issue."[233] Business interests in the province joined the opposition's criticism, "strongly" urging "the government to attain co-signatory status to TILMA immediately."[234] Unsurprisingly, the province's labour movement did not share business's enthusiasm for the agreement, worried that TILMA would mean a race to the bottom of worker safety and labour legislation.[235]

The debate culminated in a series of public legislative hearings in the summer of 2007. Premier Lorne Calvert announced the hearings in April 2007 and interested members of the public and representatives of organizations were invited to present to the committee in Regina and Saskatoon in June of that year.[236] Though both sides of the debate were represented, those presenters urging the government to reject inclusion into the TILMA agreement were in the majority.[237] Concerns largely surrounded a regulatory race to the bottom,[238] a lack of accountability on the part of trade dispute panels, a risk to the ability of local governments to procure supplies locally, and a perceived threat to democratic institutions and the autonomy of provincial decision-making.[239]

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[233] Saskatchewan Legislative Assembly, *Debates and Proceedings* Vol. 49 No. 40A (Monday, April 2, 2007), 1122.
[234] Regina Sun, "Chamber Urges Saskatchewan to Enter Deal with Alberta, BC" *Regina Sun* (April 1, 2007), 4.
[235] Murray Mandryk, "Western Trade Deal Worries Unions" *Regina Leader-Post* (February 23, 2007), B. 7.
[236] Regina Leader-Post, "Controversial Trade Deal Hearings Continue" *Regina Leader Post* (June 12, 2007), A6.
[237] Standing Committee on the Economy of the Legislative Assembly of Saskatchewan, *Ninth Report: Enquiry, Pursuant to Rule 146(2), Regarding the State of Internal Trade in Saskatchewan* (June 28, 2007), 5-6.
[238] Those concerned with a regulatory race to the bottom suggested that the agreement would lead to lowered regulatory standards in areas such as workplace safety and environmental standards.
[239] Ibid., 10.

Business interests who had been calling for the government to join TILMA in the

months prior to the hearing dominated presentations advocating for the

agreement; these presenters put forward an argument based on efficiency and

competitiveness in an international marketplace, insisting that TILMA would

improve business and thus the province's standard of living. Public opinion in the

province sided with those against the agreement.[240]

Provincial politicians read the public opinion and political support for the

agreement in the province waned. Brad Wall, in a move that surprised many[241]

and caused some to accuse him of placing politics over principle,[242] announced

that the Saskatchewan Party was not in favour of the agreement, and would not

sign it if it won the November 2007 election.[243] After the announcement, the

government insisted it would review the report prepared by the Standing

Committee on the Economy, the legislative committee that conducted the

hearings.[244] After those considerations, the government announced that it was

rejecting the agreement, citing the risk that external dispute panels could force the

province to change regulations with a $5 million fine if it refused.[245] Given the

opposition to the agreement in the NDP's traditional labour base, the decision

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[240] Murray Mandryk, "Bad trade for the Sask Party" *Regina Leader-Post* (June 9, 2007), B7.
[241] Angela Hall, "Groups Caught Off-Guard by Sask Party's TILMA Stance" *Regina Leader-Post* (June 29, 2007), A4.
[242] Bruce Johnstone, "Wall's TILMA Move is Political" *Regina Leader-Post* (June 30, 2007), D1.
[243] Wall did not denounce the agreement outright, but rather suggested that it was too late for Saskatchewan to sign on to an agreement without the ability to negotiate its terms. He argued that the NDP government should have been a partner in negotiations from the start. See Angela Hall, "Sask Party Rejects TILMA" *Regina Leader-Post* (June 29, 2007), D1.
[244] Standing Committee on the Economy of the Legislative Assembly of Saskatchewan, *Ninth Report*.
[245] James Wood, "Sask Won't Sign on to Accord" *Regina Leader-Post* (August 2, 2007), D2.

surprised few, as did the negative reaction of the province's business community.[246]

The Western Economic Partnership

Saskatchewan's rejection of TILMA was followed by a change in the provincial government. In November 2007, Brad Wall's Saskatchewan Party won a majority in the Saskatchewan legislature, ending 16 years of New Democratic rule and marking the first electoral victory of the young coalition of Progressive Conservatives and Liberals.[247] Using the language of recent political star and future American president Barack Obama, Wall immediately announced that the defeat of the social democratic NDP represented the victory of "hope" over "fear."[248] With a free market party in power and the financial fortunes of the province improving, he suggested, Saskatchewan would pursue a "new economic plan" that would make Saskatchewan "the place to be" rather than "the place to be from,"[249] referring to the long tradition of out-migration in Saskatchewan's population. The narrative suggested that the freer market would now allow

[246] James Wood, "Business Groups Frustrated by TILMA Rejection" *Regina Leader-Post* (August 3, 2007), C8.

[247] The Saskatchewan Party was founded in 1997 by eight sitting MLAs, four from the crippled Progressive Conservative party and four from the strongly divided provincial Liberal party. With strong support from the Reform/Canadian Alliance movement, it made former Reform MP Elwin Hermanson its first leader and made a surprise showing in the 1999 election, winning the popular vote and leaving the NDP government in a minority situation that forced them to enter a coalition government with the remaining Liberal MLAs. In 2003, the heavily favoured Saskatchewan Party was surprised by a majority victory by the New Democrats who ran on a platform that called into question the Saskatchewan's Party's plans for the province's large crown corporations. Shortly after that election, Hermanson stepped down and the young Wall was acclaimed when no other candidates ran for the job.

[248] Prince Rupert Daily News, "Sask Party Leader Pledges 'Something Completely Different' in New Government" *Prince Rupert Daily News* (November 8, 2007), 9.

[249] Petti Fong, "NDP's 16-year reign is over; Saskatchewan Party wins a majority after convincing voters that time was ripe for change" *Toronto Star* (November 8, 2007), A4.

Saskatchewan to emerge from the socialist wilderness into prosperity;

Saskatchewan had joined its neoliberal western neighbours.

Despite the Saskatchewan party's opposition to TILMA, it took little time

for the media to begin discussing the new government's desire to tighten ties to its

western neighbours. Within two days, media outlets in Saskatchewan and Alberta

began discussing the prospects for reduced trade barriers in Western Canada. In

the Edmonton Journal, Wall stated that the new government would pursue "more

economic co-operation and co-operation in other public policy areas in all the

Western provinces."[250] The next spring, rumours began to circulate that the three

westernmost premiers were considering tighter economic cooperation. At a

meeting of the three premiers in May 2008, discussion turned to Saskatchewan

joining TILMA. Wall insisted that Saskatchewan would not be willing to join

TILMA as it stood, but would pursue greater integration in areas of trade,

investment and labour mobility. When asked if such pursuits could be considered

TILMA in a different form, he conceded it did.[251]

Discussion of a new agreement became public in spring of 2009. At a

joint cabinet meeting between the three provinces, the provincial governments

announced that they were moving forward with plans for a new economic

partnership.[252] Wall denied claims that the Saskatchewan Party was changing its

position on TILMA, insisting that it was possible to reduce trade barriers

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[250] Jamie Komarnicki, "Economic Co-operation Vowed by New Premier; Alberta Hopes New Government Will Break Down Trade Barriers" *Edmonton Journal* (November 9, 2007), A5.
[251] "Kinda, probably," Wall responded to a question of whether or not his trade ambitions could be considered the same as TILMA in a different format. See Murray Mandryk, "Wall Given Chance to Seize the Day" *Regina Leader-Post* (May 28, 2008).
[252] Angela Hall, "Sask Not Joining TILMA: Wall" *Regina Leader-Post* (March 17, 2009), A5

"between all three provinces quite separate from TILMA"[253] Nevertheless, media reports in British Columbia and Alberta noted the practical similarities emerging between TILMA and new arrangements between the three provinces.[254]

The three provinces signed the new agreement, named the Western Economic Partnership (WEP), in September 2009. The WEP provided a broad framework for a further agreement that would pursue four goals: improve the competiveness and productivity of the West; attract business, investment and talent to the West; support and build capacity for innovation in the West; and strengthen and diversify the economy of the West.[255] To achieve these goals, the agreement would look to harmonize provincial strategies in four policy areas: internal trade; international marketing; innovation; and procurement.[256] As it stood, and despite the insistence of the Saskatchewan government that it was not signing TILMA, the WEP at this point suggested that the agreement would cover all of the main areas covered by TILMA in addition to new components Nevertheless, the member provinces, particularly Saskatchewan, insisted that the agreement was separate from TILMA, and represented a broader agreement. Indeed, beyond the trade agreement, the WEP touched on areas beyond the scope of TILMA. Its international marketing provision pointed to increased cooperation on international trade missions, joint marketing and trade activities, sharing market intelligence, and the somewhat unclear goal of "making in-market

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[253] Ibid.

[254] Tom Fletcher, "BC – Alberta Trade Deal Nearly Complete" *Golden Star* (March 3, 2009), 6; Pearl Calahasen, "Pearls from the Legislature" *South Peace News* (November 10, 2010), 13.

[255] Alberta, British Columbia and Saskatchewan. *Western Economic Partnership*. [Online] Available: http://www.international.alberta.ca/documents/WesternEconomicPartnership.pdf. (Retrieved August 30, 2011).

[256] Ibid.

resources available to advance the joint interests of the provinces."[257] Also new

was its innovation provision, which suggested that the three governments would

enable the three governments to use resources more efficiently and strategically;"

build "critical mass" of research and development, attract "investments and

talents;" and "strengthen the West's ability to compete in the world."[258]

     The Western Economic Partnership represented a significant shift from

TILMA beyond the inclusion of Saskatchewan in two ways. First, a regional

language that did not exist in the TILMA text emerged in the WEP and was

further entrenched in the official narrative surrounding it. Though TILMA was a

bi-provincial agreement between Canada's two western-most provinces, and

though media narrative surrounding the agreement suggested a westward shift in

economic power, language surrounding "Western Canada" and "the West" was

not prominent within the agreement itself. TILMA member-provinces suggested

that TILMA could provide a more effective alternative to the AIT, and eventually

would migrate eastward and include the majority of Canadian provinces; TILMA

was not meant to be exclusive to Western Canada. In contrast, the WEP focused

not only on trade within Canada, but also the competitiveness of a particular

region within both Canada and a global economic space. The WEP represented a

regionalization of internal Canadian trade by formalizing the three Western

provinces as "the West" while simultaneously placing this newly formalized

region within a global capitalist space. Western Canada is at once not only

popularly understood as Canada's economic powerhouse – in stark contrast to its

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[257] Ibid.
[258] Ibid.

historically marginalized place within confederation – but also as an entity that transcends beyond the restrictive boundaries of the Canadian national state. Such a shift suggests the reality of regionalism in a neoliberal Canada; rather than focusing on the national economy or looking to the federal government to assist with economic development, Canada's regions are turning towards purposefully attracting international investment and consumers as the drivers of development, existing and competing at once within an "open" federalist space as well as a globalized international market.

Second, the WEP included a broader mandate that went beyond traditional internal trade. With its provisions surrounding procurement, innovation, and international marketing, the agreement suggested that its regional nature would be enforced not only by the removal of interprovincial trade barriers between its member-provinces, but also by the three provinces working closely together to achieve other economic goals such as lower prices on procured goods and a united voice when marketing resources internationally. The trade provisions of the agreement constituted what the provinces *would* not do – interfere with trade. Alternatively, the other provisions constituted what the provinces *would* do – cooperate in a number of areas they identified as being mutually beneficial. Though the WEP remained at this stage a broad, undetailed framework for a future agreement, its content nevertheless hinted that the quest for internal trade was about to change in Canada.

Creating the "New West"

Following the signing of the WEP framework in spring 2009, there was

little public information about further negotiations of the final agreement. Despite

the original agreement's goal of having a final text ready for January 2010, there

were signs that the provinces would be unable to meet this deadline.[259]

Ultimately, the final agreement, officially named the New West Partnership

(NWP), was signed in Regina, Saskatchewan on April 30, 2010. The premiers

used language similar to that surrounding the earlier TILMA and WEP

agreements, describing the agreement as an attempt to find efficiency that created

"Canada's largest interprovincial barrier-free trade and investment market"[260]

Despite its new name, a 2010 legal analysis by University of Saskatchewan law

scholars Robin Hansen and Heather Heaven calls the two agreements "nearly

identical" with the only significant difference being a "few additions" in the

NWP's trade section, including greater leeway in the NWP for differentiating

licensing processes.[261]

Though the change of name from Western Economic Partnership to New

West Partnership at first seems superficial, it does provide insight into the

regional nature of the agreement. There is little new about the term "New West."

The term has emerged in times of Western Canadian prosperity, particularly in

relation to the rest of Canada. In their book *Prairie Capitalism: Power and*

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[259] Angela Hall, "Trade Deal Still in Works; Three Province Partnership Not Ready, Premier Says" *Regina Leader-Post* (December 1, 2009), A9.

[260] Andy Hoffman, "Western Provinces Form Partnership" *Globe and Mail* (May 1, 2010), B8.

[261] Robin Hansen and Heather Heavin, "What's 'New' in the New West Partnership Trade Agreement? The NWPTA and the Agreement on Internal Trade Compared" *Saskatchewan Law Review* No. 197 (2010), n35.

Influence in the New West, Richards and Pratt outline the political economy

Prairie resources in the 1970s. They examine the "new staple mineral industries –

oil, gas, and potash – all of which have been characterized by a traditional

dominance of American capital, and the attempts by successive provincial

governments to stimulate staple-linked regional development and thus to diversify

the Prairie economy out of its historical dependence on agriculture."[262] To

Richards and Pratt, the "New West" was the result of an inflow of wealth via the

resource sectors and was characterized by a new class of Prairie capitalists. Much

like the wheat boom of the early twentieth century, this "New West" represented a

sense of optimism fuelled nearly exclusively by resource wealth.

Much like the wheat boom, however, the "New West" did not last. A

confluence of factors in the 1980s including an economic recession, downturn in

commodity prices and severe interest rates imposed by the Bank of Canada to

combat the stagflation of the 1970s ensured that the promise of the "New West"

was unfulfilled, particularly in Saskatchewan.[263] The term became dormant for

two decades, only to become resurrected in Saskatchewan in 2006. Brad Wall,

while still leader of Saskatchewan's Official Opposition, began using the term to

criticize the New Democratic government for its refusal to sign on to TILMA:

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[262] John Richards and Larry Pratt, *Prairie Capitalism: Power and Influence in the New West,* (Toronto: McLelland and Stewart, 1979), 11.

[263] Grant Devine, who came to power in Saskatchewan in 1982, declare that Saskatchewan had decided not to participate in the recession. Bill Waiser wryly comments that someone "should have told the Saskatchewan economy." Waiser then documents the factors, including poor performance in potash, oil, and agriculture, that led to a harsh economic decade in Saskatchewan. See Bill Waiser, *Saskatchewan: A New History* (Calgary, Fifth House Limited: 2005), 386.

They know, they should know — certainly we've been saying for some time — about the emergence of a new West that's happening across our country as political and economic influence is migrating to Western Canada. And we have a chance in this province to play a leadership role in that new West. But under this NDP government, Saskatchewan of course is being left behind.

The Premier of Alberta had this to say after the agreement was announced, quote "... he hopes other western provinces will see the potential of the agreement and sign on."

Mr. Speaker, I'd ask the Premier this question: will he show leadership on this issue? Will he ensure that our province is playing the leadership role that it should be in a new and emerging West within Canada, Mr. Speaker?[264]

The Opposition's criticism of the government for its failure to sign onto

TILMA was one thread within a larger critique of the government for failing to

bring the province into the prosperity that had characterized recent years in its

western neighbours, particularly Alberta. To Wall and the Opposition, continued

out-migration and lackluster employment numbers in the province were the result

of an incompetent socialist government unable to capitalize on the high resource

prices that had provided other western provinces with wealth.[265] For the

Saskatchewan Party, a "New West" was a region that rejected both the traditional,

subjugated role of Western Canada within confederation as well as the

burdensome government-led approach to economic development espoused by the

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[264] Saskatchewan Legislative Assembly, *Debates and Proceedings* Vol. 48 No. 50A (May 1, 2006), 1441.
[265] The Saskatchewan Party characterized the period as a "jobless boom" with the government taking in windfall revenues from high resource prices as out-migration and bad economic news continued. On the topic of a tire recycling operation that was ending its operation, MLA D.F. "Yogi" Huyghebaert attacked the government: "Mr. Speaker, a newspaper columnist said 'We are experiencing a jobless boom.' Young people are voting with their feet. And we heard yesterday, 8,800-plus young people between 15 and 29 left Saskatchewan in the past year." See Saskatchewan Legislative Assembly, *Debate and Proceedings* Vol. 48 No. 31A (March 30, 2006), 7.

socialist NDP. The phrase proved portable and migrated to Alberta, where it was frequently used beginning in 2007 in the Alberta legislature, culminating in the province's 2008 throne speech.[266] The term was not used in the British Columbia legislature until the NWP was signed.[267] In this sense, the easily-dismissed name change in fact reveals important symbolic motives behind the agreement; if TILMA was an a-regional document and the WEP touched on regional aspirations, this new agreement would undoubtedly be regional and attempt to send a message about its meaning and intent: the ongoing prosperity and importance of the Canadian West.

Internal Trade and Regulations

Beyond the symbolic importance of the NWP are the concrete policy considerations of the agreement. The Internal Trade section of the agreement is the most extensive component of the NWP, providing the most specific rules and regulations for its member provinces and effectively creating one economic unit encapsulating the Western provinces. Each member province is required to ensure that "its measures do not operate to restrict or impair trade between, among or through the territory of the Parties, or investment or labour mobility between or

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[266] "Today I speak as well of another legacy, not the legacy of a particular government or a particular Legislative Assembly but the 100-year legacy of an entire province and its people, a legacy born from Albertans' dreams and hopes for their children and for their province. Indeed, new aspirations are being conceived right now to be fully realized in the years ahead. I speak of Alberta's leadership role in Canada's new west." See Alberta Legislative Assembly, *Hansard* (February 4, 2008), 1.

[267] The term "New West" does not appear in the British Columbia Hansard until October 5, 2010. The rapid speed with which the term was adopted in Saskatchewan is perhaps explained by its place as the most recently prosperous western province. While British Columbia and Alberta have typically been part of the country's "have" provinces, Saskatchewan has often been the recipient of equalization payments. Only within recent years, with rising prices of resources such as potash, has Saskatchewan's economy seen marked improvement. Now, together with other resource-rich provinces, Saskatchewan's economy is commonly one of the fastest growing in Canada. For instance, see Royal Bank of Canada, *Provincial Outlook* (June 2011) [Online] Available: http://www.rbc.com/economics/market/pdf/provfcst.pdf (Retrieved August 30, 2011).

among the Parties."[268] Similarly, member provinces must not discriminate against

actors – such as businesses or investors – from other members.[269] Simply put, no

province may in any way inhibit trade, investment or labour mobility within the

newly formalized region, effectively transferring authority on economic matters

from their provincial jurisdiction to the regional level.

The agreement's trade section ensures compliance through a number of

provisions and rules, enforced by a binding dispute resolution mechanism.[270] In

the agreement's "transparency" article, members are required to notify each other

if they are planning on "proposing to adopt or amend a measure covered by [the]

Agreement."[271] Furthermore, if attempting to implement a change to those areas

covered by the agreement, they are required to provide any documents "requested

by another Party or interested persons of a Party" related to those proposed

changes,[272] giving partner provinces accessibility to decision-making that would

likely be envied by provincial official oppositions.

Within the NWP's trade section, investment and labour mobility

provisions also effectively unite the regulatory space of Western Canada.

Member provinces are required to harmonize their reporting and registration

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[268] New West Partnership, *New West Partnership Trade Agreement* Section A. Article 3.1, pg 2.
[269] Ibid., Section A, Article 4, pg 3.
[270] The dispute resolution mechanism includes an escalating series of prescribed scenarios.
Member provinces must first use any existing dispute resolution mechanisms that may exist
beyond the NWP. If no such mechanisms exist, members must then hold a number of
consultations with one another. If consultations do not result in a sufficient agreement, then
proceedings move to a binding hearing in front of a panel consisting of impartial individuals
selected by the parties. Member provinces are bound to panels' findings, and may be required to
compensate those the panels have found to be harmed up to $5 million. However, to date no
dispute resolution proceedings have taken place and to what extent the member provinces will
comply with the agreement and hold their counterparts accountable through dispute resolution
proceedings remains unknown.
[271] New West Partnership, *New West Partnership Trade Agreement* Section A, Article 7, pg 4.
[272] Ibid., Section A, article 7.2 pg 5.

mechanisms, meaning businesses registered in any of the provinces are effectively

registered throughout the NWP region; such an arrangement is strengthened by a

clause declaring that no member province is permitted to require businesses to

maintain a local office.[273] An article forbidding provincial governments from

subsidizing local businesses and another that ensures that government entities

open procurement tendering to firms in the entire region[274] completes the

liberalization of investment regulations, ensuring that provincial governments are

not tempted to replace residency requirements with other methods of favouring

local business.[275] Similarly, the agreement's labour mobility section ensures that

workers certified by the regulatory authorities of one member be recognized as

certified within the entire NWP region.[276] Together with the trade provisions, the

NWP's investment and labour mobility sections ensure a completely liberalized,

single economic region for both business interests and workers looking to migrate

from one area of the region to another.

While the trade agreement largely outlines what the member provinces of

the NWP can and will *not* do, like the WEP it also includes other components that

outline those actions they *will* take. Going beyond the liberalized procurement

procedures outlined in the trade sections of the agreement, the NWP's

procurement component dictates that the region's provinces will act as one when

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[273] Ibid., Section A, article 11 pg 6.
[274] There are three categories of government entities that must adhere to different rules regarding procurement. Departments, ministries, boards, councils, committees, commissions and "similar agencies of a Party" are required to "provide open and non-discriminatory access of procurements" for goods (worth $10,000 and above), services ($75,000 and above), and construction ($100,000 and above). Other entities such as crown corporations, school boards and health regions have similar thresholds for procurements that must be made open.
[275] Ibid., Section A, article 12 pg 7.
[276] Ibid., Section A, article 13 pg 7.

making large purchases which, in the words of the agreement, "may result in cost savings and a more streamlined process for the Parties."[277] Wrapped in the neoliberal language of cost-savings and efficiencies, the procurement section of the agreement indicates that the three provinces will act as one purchaser on large-scale procurements, effectively pooling their resources to make large purchases at reduced rates. To date, there are signs that the NWP provinces have followed through on their pledge; at a recent meeting, they announced that they have begun a process of joint procurement in medical equipment, establishing a request-for-proposal (RFP) process "for combined purchasing of products to close wounds, such as sutures and staples, which is expected to bring savings for the provinces."[278] Such a development is important not only because of it intends to drive down prices for the three provinces, but also because it represents another facet of the NWP's regional power, creating a regional consumer of public goods.

The NWP formalizes a region in Canada as a single economic unit while it symbolically rejects the traditional role of the Western Canada within confederation. In previous manifestations of Canadian regionalism, the Canadian government largely dictated the country's spatial organization – whether it be the compartmentalized regional roles characterized by the First National Policy, or the attempt to alleviate regional differences present in the Second National Policy. Conversely, the neoliberal spatial organization is one in which regional interests must reduce market impediments to attract investment; economic activity must be driven strictly by the private sector, and taxes collected from the jobs created will

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[277] New West Partnership, *New West Partnership Procurement Agreement,* pg 1.
[278] The Bassano Times, "New West Partnership Success Spurs Further Cooperation" *Bassano Times* (May 3, 2011), 9.

provide revenue for reduced social programs. The member provinces of the NWP have attempted to reconstitute themselves as the new economic centre of Canada by becoming the country's most strict adherents to the dominant neoliberal rationality; in an era in which economic development means the retreat of government from economic matters, the most rapid path to becoming the centre of economic power is retreat from economic intervention.

The "New West" Beyond Canada

Beyond our traditional understanding of Canadian regionalism, however, the NWP also represents something else: regional aspirations of international competition and catering to international consumers. Though the majority of the agreement surround the formalization of the region and its relation to the rest of Canada, there remains another important aspect of both the agreement and the rationale for it. The agreement's international marketing component acknowledges that the member provinces "have a mutual desire to have international representation in priority markets and to collaborate in order to benefit through cost efficiencies and the delivery of high quality programs and activities in areas of common interest."[279] The agreement suggests that the provinces will work to place offices in "international markets of common interest," participate in "collaborative international trade and investment initiatives," and "develop common messaging when jointly targeting and engaging foreign governments and foreign industry.[280] In other words, the region will work as one in the area of international marketing of its exports (ostensibly

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[279] New West Partnership, *New West Partnership International Cooperation Agreement,* pg 1.
[280] Ibid., Section II, pg 1.

its natural resource commodities). However, it is short on details, particularly

when contrasted to the agreement's internal trade documents. Tangible actions

are lacking in the international marketing section, replaced by buzzwords such as

creating "synergies" and "win-win scenarios."[281]

Despite the vague provisions in the international cooperation section of the

NWP, it has had observable results. As a part of the agreement's international

marketing provision, the member provinces jointly opened a trade office in

Shanghai, China in 2010, announced on a joint trade mission to China by the three

Western premiers. The NWP provinces have yet to report actual outcomes of

their shared Shanghai presence, but it nevertheless represents an attempt by the

Western Canadian region to maintain a presence in hubs of international

capitalism.[282] Furthermore, given that the agreement mandates that the provinces

review which "international markets" are of "common interest" amongst them

regularly, more New West Partnership trade offices may open internationally,

conceivably where demand for Western Canadian commodities dictates. Early

indications suggest that the NWP premiers are likely to make Mumbai or Delhi

the next office's location, with a possibility of Japan after that.[283] Though in a

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[281] Ibid., Section IV, pg 2.

[282] The international marketing section should not be mistaken for the provinces giving up all authority on their marketing efforts, however. The International Marketing appendix of the agreement makes clear that each province shall have a representative in international offices who "have direct reporting relationships with their respective Provinces." Furthermore, representatives are "responsible for adhering to their respective Government directives, norms processes, ethics, policies an standards applicable at the posting." This suggests the provinces, though remaining committed to cooperation in international marketing, have also made it a priority that their individual interests are considered priority within collocated offices. Ibid., Section VI, pg 6.

[283] "The premiers will also be talking about the opening of a second Asian trade office, this one in India, following the office in China. They must decide whether it will be located in Mumbai or Delhi, said Wall, and may also discuss the prospects of a future office in Japan." See The Saskatoon Star Phoenix, "Wall Meeting with Premiers" *Saskatoon Star-Phoenix* (April 20, 2011), A6.

nascent state now, the NWP's extra-Canadian activities appear likely to continue and grow.

The potential growth of the NWP's presence in a global economic space is especially likely if the future mirrors the language used by its signatories. Campbell's successor, newly-appointed British Columbia Premier Christy Clark, suggested that the NWP allows the region to "respond to the global demand for [its] commodities."[284] For his part, Stelmach has used international competition to convince his province that the agreement is beneficial for Alberta: "In the new economy that is emerging from this recession, Alberta is no longer competing against our neighbouring provinces. Instead, we need to work with them, as a regional team competing in a global marketplace."[285] Similarly, Wall suggested that the NWP region has the means to help China overcome its energy security problems, stating that the Canadian West has a "very specific story to tell" the rest of the world with respect to its natural resource wealth.[286] Clearly, the rationale for the NWP in the minds of its championing political elites goes beyond overcoming the West's traditional role in confederation. To them, the global economic space leaves them with no choice but to band together to better market their commodities to the world; the "New West" is not only a regional strategy for shifting economic dominance in Canada but also an attempt to establish a presence in the world. The newly formalized region exists not only vis-a-vis the

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[284] Quoted in The Canadian Press, "Three Westernmost Premiers Meet to Discuss Year-Old New West Partnership; Three Western Premiers Meet in Vancouver" *Canadian Press* (April 20, 20110).

[285] Quoted in Sydnee Bryant, "Alberta's 'Best Days are Still to Come' – Premier" *Pipestone Flyer* (June 10, 2010), A16.

[286] James Wood, "Sask Helps Fund Trade Office; Western Premiers Tout Natural Resources During Shanghai Stop" *Saskatoon Star-Phoenix* (May 18, 2010), C7.

rest of Canada, but also vis-a-vis the continent and the global economic community.

Conclusion

The path to the NWP provides an example of how Canadian regionalism is manifesting itself in the contemporary era. Canadian politics have, over the past quarter-decade, been characterized by the transformation from Keynesian welfare liberalism to neoliberalism. This transition has spatial consequences. The three Western provinces began their journey into neoliberalism twenty years ago, and though it has taken place through different styles of provincial governments and at different rates, all three have found themselves firmly entrenched in a governing model consistent with the neoliberal rationality. As a part of this adoption of neoliberal governance, the provinces have banded together as a formalized region in order to better compete in a liberalized economic environment.

In doing so, the Canadian West – now deemed the New West – has acted in a way that at once is consistent with a traditional understanding of Canadian regionalism while also represents a fundamental shift in regionalism. In implementing the NWP agreement, the provinces have formalized the West as a new economic centre in Canada, rejecting its traditionally marginalized place in confederation by announcing the arrival of a so-called "New West." In this way, it defines itself vis-a-vis the rest of Canada, which – although new in its neoliberal character – is consistent with a traditional understanding of Canadian regionalism.

At the same time, however, the NWP makes competing in the increasing global economic space its goal. Not only is the NWP an attempt to shift

economic power westward in Canada, it is a mechanism the resource-rich

Canadian West has employed to increase its access to international markets.

These attempts have come simultaneously with the shift of economic power from

historical centres in Europe and the United States to developing countries such as

India and China. The rapid expansion of these emerging economies requires the

natural resources found in the Canadian West, ensuring the resource-wealthy

NWP provinces will continue to enjoy robust prices for their products, though the

fall of prices of natural gas and potash during the 2008 financial crisis

demonstrated the degree to which this resource-driven prosperity is as fragile as

ever. In this sense, the NWP's international marketing efforts seem consistent

with the Canadian political economy's approach to regionalism; with a new

economic centre and the demand for a new set of resources to help fuel that

centre's economic growth comes a new spatial arrangement in Canada and the

ascent of a new regional force within Canada.

Thus, the dichotomy between the traditional, domestic representation of

Canadian regionalism and the newer globalized regionalism is made more

complicated by their relationship to each other, and it is mistaken to draw these

distinctions too clearly. Though certainly the New West Partnership represents a

Canadian region strengthening its own presence in international markets, it does

so as an attempt to facilitate its own domestic economic outlook and as a larger

project to shift the historic balance of economic power within Canada. While the

New West Partnership challenges how we have understood Canadian regionalism,

in doing so it acts in a way that is entirely consistent with it. Such abounding

complexity seems challenging, yet remains in accordance with contemporary theories of scale, which keenly describe a spatial economic order rife with complexity. We turn back to those theories in Chapter Four to accurately place the current Canadian spatial organization within its historical context.

Chapter Four – Conclusion

Canadian Territorial Space and Contemporary Regionalism

Given that the NWP has demonstrated itself to be characterized by dichotomy and apparent contradictions, it provides an example of the complicated, messy nature of contemporary Canadian space, and allows for an examination of to what extent neoliberal globalization has affected Canadian regionalism. As demonstrated in Chapter Three, the NWP is a product of the historically specific Canadian neoliberal project's spatial manifestation. In Canadian history, different periods have corresponded with different strategies for economic development and each has expressed itself spatially. The era of the First National Policy was an explicitly spatial project that produced a sovereign state for the distinct purpose of capital accumulation. A railroad facilitated the ability to transport goods, people, and services from east to west when a more readily available economic link for much of British North America was a north-south link with American cities and regions. Immigration and settlement of the Canadian West provided a market for Central Canadian manufactured goods and source of raw materials for Central Canada. Finally, a national tariff created a regulatory space to enforce the east-west economic strategy facilitated by the railroad and settlement. The project was fundamentally inequitable, with Central Canada being the focal point and economic centre of the new system and the Canadian West largely a utilitarian region meant to serve a specific purpose in the new project. The First National Policy made it its goal to produce a national economy with regions as an essential component of this spatial organization.

The period of Canadian history following the Second World War was characterized by the further entrenchment of the national economy and Canadian territorial space with efforts by the federal government to alleviate the regional cleavages that emerged as a result of the internal political economy of the country. Massive physical projects such as the Trans-Canada Highway were combined with the symbolic and cultural institutions and strategies such as adoption of the national flag to reinforce the "naturalness" of the Canadian state. In this sense, Canada in the Second National Policy participated fully in the post-war international economic order and Cold War geopolitical order; politically and economically, the nation-state was unquestionably the dominant scale of the twentieth century.

The vulnerability of Canadian Political Science to the territorial trap when discussing Canadian regionalism is at least partially due to the briefness of Canadian history; the country has evolved in periods in which the dominance of the national scale seemed common sense, even natural. The First National Policy explicitly produced a sovereign national state in a time characterized by the maturation of that territorial assemblage; the history of evolution of territorial units coalesced in the seventeenth century with the Treaty of Westphalia and by the time of confederation had matured to the point where powerful sovereign states were competing with each other for global domination. In the twentieth century, the sovereign national state seemed the natural topic of study for political scientists as it was unquestionably the primary site of political contestation. In short, a discipline studying the politics of Canada studies the politics of a national

state purposefully created within the context of national scale dominance whose short history has evolved almost exclusively within the same era. That the discipline's theoretical explanations of Canada's regions understand them to be contained exclusively within Canada is understandable.

Neoliberal globalization represents a significant shift both in the political reality of Canadian regionalism as well as how we must approach examining it. Nearly two decades of critical globalization studies have demonstrated that the nation-state no longer enjoys the same privileged, dominant position that it held in the twentieth century. But neither is the national state simply withering away. Current evidence suggests that the contemporary processes of globalization are much more nuanced and contested than a simple, corporate-driven, one-way path to a world without *de facto* national borders. While the national scale has lost some of its historical dominance, no scale has ascended to its former position, leaving it still as history's most mature and highly developed political unit. The contemporary era is more accurately described as spatially contested, with an almost unlimited number of scales organized in complicated and contradictory ways and no one scale making itself the apparent successor to the national scale as the dominant site of political authority and contestation.

In Canada, the neoliberal era marks a Third National Policy, one that rejects the universal social citizenship of the Second National Policy and instead employs an individual-based, competition-driven strategy of economic growth. Like the two National Policies before it, this contemporary National Policy corresponds to larger political rationalities within the western world; the logics of

neoliberalism are widely understood to be the governing logics of the modern international political economy. Neoliberal policies such as privatization, corporate tax reductions, indexing and income-testing formerly universal programs, cuts to public services, and adoption of business practices in government are now widely practiced in the federal and provincial governments. Beyond this, the broader understanding in society that these are correct, "common sense" policies eliminates the need to coerce the public into such policies. Experts such as economists, business pundits and accountants recommend solutions to widely-accepted problems of government and this advice, so long as it is compliant with the larger political rationality, is considered equally "common sense." In this way, Canadians govern themselves to consent to the prevailing wisdom.

Like previous political rationalities before it, Canadian neoliberalism has a spatial component. While Canadian space in the First National Policy was based on facilitation of capital accumulation in Central Canada and the Second National Policy included attempts to alleviate the regional cleavages that were produced as a result of the First National Policy, the Third, neoliberal, National Policy encourages sub-national political units such as municipalities, provinces and the regions, some with legacies that stretch back to the First National Policy, to compete with one another for investment and private sector-driven employment. Canada, with a constitutional framework dividing the country into autonomous provinces that have jurisdiction over important social welfare policy areas, has provided the neoliberal rationality with an ideal opportunity for imprinting its own

spatial logic on a national state. As Adam Harmes has demonstrated, the neoliberal concept of competitive federalism has found a comfortable home in the Canadian federal state, with ample opportunity for the federal government to facilitate an "open" economic space in which firms are free to migrate from province to province to find the best investment environment, effectively disciplining those jurisdictions to follow neoliberal doctrine in the process. Voluntary agreement to rules such as those governing procurement by the WTO formalizes the arrangement in a binding fashion

The New West Partnership provides a case study of the Canada's spatial organization under neoliberal globalism. Internal free trade is consistent with the neoliberal concept of competitive federalism, forcing subnational units to compete with one another for international investment that will fuel employment. With the ability of provinces to dictate regulations and business practices within their own boundaries limited, there are few options for economic development beyond providing a beneficial "investment environment" for private firms.

Within this context, the three westernmost Canadian provinces have united together to create a single economic unit within which "interprovincial trade barriers" are reduced and economic opportunities ostensibly improved. In an attempt to strengthen internal free trade in a way that had been attempted with earlier agreements such as the AIT, British Columbia, Alberta and Saskatchewan have joined to unleash market forces for the apparent prosperity of all. A broad number of provisions governing how the member governments may or not intervene in economic matters have, in effect, made Western Canada the seamless

economic region that the AIT was supposed to make all of Canada. In doing so, the NWP represents an attempt by a part of Canada historically characterized by its marginalization within confederation to reject that marginalization. Beyond simply adopting neoliberal principles to capture economic power in the country, the symbolic nature of the "New West" announces to the country that a new era in which Western prosperity is the norm has arrived. The symbolic declaration of influence is consistent with those traditional approaches to Canadian regionalism, which studied the tensions existing between regions within the country.

The NWP does not end with its interprovincial trade provisions, however, and makes it its goal to increase the profile of Western Canada and its natural resource wealth to the rest of the world. With one international trade office open and more planned for the future in different countries, the members of the NWP have taken active steps to ensure that the newly-official Canadian region exists within and in relation to not only the national Canadian state, but also in a global economic space. By joining together to compete internationally, and by joining together to purchase public goods, the NWP member provinces have taken a domestic agreement and made it simultaneously global. It is this global ambition that begins to make those traditional approaches seem insufficient.

Complicating matters further, The NWP's domestic and international provisions are at once contradictory and complimentary. The New West's international activity is not an explicit attempt to disassociate itself from the Canadian national state. Quite differently, it is a strategy of economic development *within* Canada; by directly engaging extra-Canadian markets, the

New West looks to facilitate export of its products and attract foreign capital to accelerate the extraction of those resources thereby facilitating its own prosperity and strengthening a newly formalized region as the new economic centre of confederation. Thus while the NWP's international marketing provisions seem contradictory to the document's general nature as a domestic, internal free trade agreement, it is also complementary to it. The NWP region now looks to increase its presence as supplier of natural resource in the global market place in order to increase its presence as economic power within confederation; it transcends Canadian territorial space while remaining highly integrated with it.

It is these sorts of complexities currently facing Canadian spatial organization that make the existing approaches to Canadian regionalism insufficient for contemporary study. Critical theories of scale can help cut through the complexity. Scale theorists argue that the current scalar order is one in which the national scale has lost at least part of the dominance it demonstrated in the nineteenth and twentieth centuries, but one also in which no other scale has risen to prominence. Further, they paint the scalar picture as one in which scales defy vertically hierarchical organization; scales exist in relation to each other in a myriad of ways, exemplified best by the tangled reality of the French mille-feuille cake. At any given time, the processes of the dominant political rationalities – and those counter processes that contest it – are transforming the already-complicated and messy scalar reality. And, given that these processes are themselves fluid and perpetual, the scalar organization that is a part of those processes' spatial expression is also characterized by its fluidity. Any description

of the current spatial organization is a snapshot of a given moment, guaranteed to change as processes and politics evolve.

As the First and Second National Policies were building, strengthening, and transforming Canadian territorial space, a number of regional entities developed within its borders as part of its inherently uneven spatial development. As part of the project of tying together an east-west economic unit, a regional character was assigned to individual geographic areas of the new country, imprinting a spatial reality that set the conditions for political tensions between the regions that emerged as part of the Canadian project. This represents the period's scalar organization; as the Canadian state was participating as an example of dominant scale, its subnational regions were being constituted as well. The relationship between these Canadian scales was highly fluid, from the sub-national regions acting as tools in economic development strategies to the implementation of federalism and attempts to even out the uneven development that was so instrumental for their development. For most of Canadian history, however, the Canadian region was entirely a subnational scale, its relationship to scales other than the national Canadian scale considered at most secondary to its relationship to other Canadian regions and the national scale. This was consistent with the reigning political rationality of the time, which facilitated a relatively stable scalar order in which the national scale remained the site where political and economic power remained.

As one political rationality gave way to another and neoliberalism ascended, its spatial logic replaced that of the embedded liberalism before it. The

former scalar order, which privileged the national scale as the primary site of economic development and political contestation, began to give way to a period of transition without a dominant scale to replace the national. As the national state came under attack by processes of capital accumulation and the politics of neoliberal intellectuals, the prevailing scalar order that had existed for most of the twentieth century came into contestation. Academics tossed about the terms "globalization," "localization," "glocalization" and "regionalization" in an attempt to explain the present and predict the future. Within this context of uncertainty, the NWP was formed.

So, when examined through the lens of this critical theoretical framework, the shroud of complexity surrounding the NWP's dichotomies and contradictions begin to give way. Scale theory *predicts* contradictory spatial conditions. The NWP's multilayered nature seems inaccessible if one subscribes to a scalar view that understands scales as Russian dolls in which one fits neatly into another. By this logic, the Canadian West "doll" should fit snugly into the Canada "doll" which finds itself in the North America doll then the global doll, etc. Critical theories of scale reject this understanding, describing scales instead as the layers of a mille-feuille cake that involve folds, contours, and massively irregular patterns of distribution. Furthermore, at the current period of transformation in which the previously dominant scale's predominance has waned, one can expect observable situations that demonstrate the same inconsistencies and contradictions as demonstrated by the New West's relationship with scales such as the national and global. In this respect, events surrounding the NWP confirm that the spatial

configurations described by theories of space and scale are present in Canada, contradictions and fluidity included.

The NWP represents just one of many shifting scales. Another prominent example is the Pacific Northwest Economic Region (PNWER), comprised of American states, Canadian provinces and corporate interests. PNWER describes itself as "the only statutory, non-partisan, bi-national, public/private partnership in North America" acting as a "forum for collaborative bi-national planning involving both the public and private sectors and offer[ing] leadership at the state/provincial level in Salem, Olympia, Boise, Helena, Juneau, Edmonton, Regina, Victoria, Yellowknife and Whitehorse." [287] Though the organization represents a relatively loose association of interests in the self-described economic region, it has demonstrated the desire to deepen its ties; its Trade and Economic Development Work Group made it a priority in 2006 to "embrace the opportunity to educate and explore the possibility of expanding the B.C.-Alberta Trade, Investment and Labour Mobility Agreement (TILMA) *concept* throughout the PNWER region," [288] though nothing tangible seems to have resulted from this since. That said, even PNWER's examination of the issue demonstrates that there are actors looking at opportunities for forging cross-border ties far stronger than have appeared before, suggesting ultimately that the scalar order may have serious machinations in order before another relatively stable scalar order emerges.

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[287] Pacific Northwest Economic Region, "Home." [Online] Available: http://www.pnwer.org/Home.aspx. (Retrieved August 30, 2011).
[288] Pacific Northwest Economic Region, "PNWER Trade & Economic Development Work Group Action Plan – July 18, 2006."

Transformational and complex that this scalar order may be, however, it remains critical to keep in mind that though the national scale may no longer be the unquestionably dominant scale, it nevertheless retains a privileged scalar place. The national scale became dominant only after hundreds of years of political economic history and it will take longer than twenty years to disassemble the national state as the primary site of development and contestation. In the Canadian example, though the NWP has made efforts to increase its ties to extra-Canadian scales such as the continental and global, it remains fundamentally tied to the Canadian state. Its member provinces are constitutionally bound as members of confederation as *Canadian* provinces; part of the Canadian imprint that has been applied to the northern half of North America is a legally binding division of authority that ties the regions of the country together. Though the NWP provinces have joined together to promote the region's economic activities abroad, their adopted model of overseas office has representatives from each province, mandated to serve the interests of their respective jurisdictions.

The Canadian state has not only its residual authority in tact, but also the ability to reassert its own authority and to enter into international trade agreements that might have implications for its provinces and regions. Stephen Harper's Conservative government has made it a priority to strengthen the Canadian state's sovereign claim over its arctic territories through increased military exercises in the Arctic Circle.[289] The Harper government has even reasserted its authority in economic matters, recently rejecting the bid of the

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[289] Nicholas Keung and Richard J Brennan, "1,800 Could See Citizenship Revoked; Critics Oppose Ottawa's Aggressive New Tactics on Immigration Fraud" *Toronto Star* (July 21, 2011), A6.

world's largest mining company BHP Billiton in its bid to take over Potash

Corporation of Saskatchewan at the request of Brad Wall.[290] If nothing else, these

examples show that the federal government has the ability to reaffirm its own

authority if has the political will. While unlikely under the current government,

the Canadian federal government could steer economic development (as it did

with its fiscal stimulus package), offer tax incentives to particular industries, fund

innovation such as wind power, or stop the expansion of pipelines to the United

States. While the Canadian state has retreated from many facets of its own

political economy, letting market forces dictate social policy and the spatial

organization of the country, it is far from withering away as part of a rapid

transition to a new world order. The Canadian left may not appreciate what the

state is becoming or what it represents, but it cannot legitimately alarm us to the

disappearance of the state. Reality is much more complicated.

It is, however, not enough to simply accept the explanation that

"everything spatial is complicated." Though this discussion has rejected simple

constructions of how Canada has been organized spatially and embraced a

theoretical framework that allows for complication, there remain concrete lessons

that one can take from this examination of Canadian space from past to present.

First, Canadian Political Science needs to review the theoretical frameworks by

which it examines the space of Canadian politics. Canadian regionalism, so

important in the field, has borne theoretical approaches are now insufficient for a

complete understanding of how Canadian space is shaped and expressed. The

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[290] Mark Kennedy and Andrew Mayeda, "Potash Takeover Rejected; Ottawa Gives Australian Mining Giant 30 Days to Improve Offer" *Edmonton Journal* (November 4, 2010), A1.

realities of globalization and neoliberal space has shown a light on these theories

and the fact that they all, despite divergent approaches to regionalism, are in-fact

vulnerable to what John Agnew described as the territorial trap. Constructed

during the twentieth century when the national state represented an institutionally

dominant scale, the approaches to Canadian regionalism ended at the Canadian

border. Even the political economy approach, which looked to the importance of

capital accumulation within the international political economy in the creation of

the Canadian experiment, has remained largely dormant for twenty years, leaving

it unable to grapple with the effects to which globalization has subjected the

Canadian state and space. This examination of Canadian space has looked

beyond the realm of Canadian Political Science and employed a number of critical

theories as its framework in order to find explanations regarding the current state

of Canada's spatial makeup. There doubtlessly are other approaches that would

provide insights into these events, but this discussion has demonstrated that

reconditions of Canadian regionalism are consistent with critical theories of space

and scale.

Second, the realities of Canadian regionalism are changing. In one

respect, the New West Partnership seems to be little more than the most recent

example of one region becoming economically influential as a result of high

prices for a particular set of staples – in this case, energy and potash. However, it

represents something else: the official emergence of Canadian regions into a

global economic space as active participants. Though the Canadian national state

is certainly going to be a very real residual example of the national scale's

previous dominance, it no longer acts as the exclusive container of the regions

that emerged as part of its own production. The practical implications for how

this will affect Canadian politics remains uncertain, and making such predictions

remains a shaky undertaking. However, one can conclude that if the NWP's

model of economic development becomes the norm, the Canadian project will see

face significant challenges to its territorial cohesion and authority. At the very

least, the NWP represents institutionalization that escapes the formal boundaries

of federalism. If other formalized regions emerge and follow the same economic

strategy, it is conceivable that multiple formal regional economies could emerge,

all of them purposefully competing for investment and consumers in a global

economic space. This could mean significant pressure on those strategies used by

the state in its attempt to smooth out the inequities in geographic economic

development. If these regions experience a scalar shift across international

borders as the Pacific Northwest Economic Region suggests they could, then the

consequences are even murkier and may suggest that some of relational ties

between the Canadian regional scale and the national scale may be frayed by a

cross-border scale that looks to increase its prominence in economic matters.

What is certain, though, is that change is underway. Critical scale scholars have

already identified the current period as one of scalar uncertainty, and given the

uncertainty of the international political economy, it appears as though such

uncertainty may well continue.

　　　　This thesis has covered a great deal of historical ground from pre-colonial

space to the current neoliberal moment. For a thorough examination of the

present and the complicated realities facing Canada's spatial formation, it was necessary to start at the beginning and trace the origins and production of Canadian territorial space, complete with uneven development that facilitated the emergence of regional economic tensions. By demonstrating how Canadian territorial space was produced in the nineteenth century and reproduced in the twentieth, it was possible to situate current realities of Canadian regionalism within their historical context. Any spatial order is historically specific, the result of a particular set of circumstances at a certain snapshot in history. The current spatial order is one of change, demonstrated by a growing field of scholarly work. The NWP demonstrates that this change is happening in Canada, and strongly suggests that Canadian social sciences should begin future examinations of regionalism with strong consideration of events and conditions beyond Canadian borders.

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