

INSTANT TOWNS IN
BRITISH COLUMBIA: 1964 to 1972

by

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ABSTRACT.

Resource towns in Canada have traditionally been company towns owned and controlled by resource extraction companies. In British Columbia, between 1962 and 1972, the provincial government attempted to replace company towns with a new urban form called "instant towns". This was to be achieved by means of special legislation under Section 10A of the MUNICIPAL ACT which legislated for local government, a municipal franchise and new planned communities.

In the ten years following the initiation of the instant towns programme in British Columbia there appeared to be few changes in the social and economic milieu, for high labour turnover, alienation, and a sense of impermanence, instability and isolation all remained apparent, although it was these conditions which the creation of instant towns was meant to address. This thesis examines some of the reasons why many of these socio-economic characteristics persisted in the new instant towns, as well as the reasons behind the creation of the new settlements, and the expectations of those who created and planned them.

The instant town legislation which brought about the changes in local arrangements, town plans and the ownership of housing, could not ensure that the problems associated with older company towns would disappear. The problems, including reliance on a single industry base, male dominance of the workforce, isolation problems and instability of tenure,

resulted not from matters addressed by the legislation and the town planners, but from the very nature and the location of the enterprise in isolated areas.

A refinement of the metropolis-hinterland model is used as a framework for discussion of the political economy of British Columbia in which the instant towns were created and shaped. The major elements of metropolitan control over the shape and rate of development in the hinterland include the corporations, financial institutions and the state. In this thesis these three elements are defined as, first the multinational corporations which were invited into British Columbia between 1952 and 1972 to participate in the expansion of resource exploitation in the province; second, financial institutions such as Canadian banks in Toronto and Montreal, and foreign banks in New York, Europe and Japan; and third, the province of British Columbia which had a Social Credit government under Premier W.A.C. Bennett throughout this period. Discussion of the political economy enables an analysis to be made of the interlocking nature of these three elements, illustrating how the corporations and banks were primarily interested in resource exploitation and stable places in which to invest, and the state was largely concerned with fulfilling a facilitative role by providing necessary physical infrastructure and access to capital.

One of the major reasons for the systemic problems of the company towns and instant towns was the continued dominance of

the British Columbia resource extraction economy by large and increasingly multinational corporations. This meant that towns and companies were subordinate and beholden to decisions made by the corporate directors and their management staffs, not at the local level but in major metropolitan centres including New York, Toronto and Tokyo. The granting of local government and the enfranchisement of the workforce, generally served to change the focus of the costs of developing housing and physical infrastructure from the companies to the town residents. The responsibility of running the town was transferred to the local government, but the companies, whether or not they desired it, still maintained a form of control over the growth, viability and longevity of the communities by virtue of their control over housing stocks, development land, their influence on municipal councils, and their hold over the major source of capital and the source of income of the workforce. The *raison d'etre* of the instant towns was no different than that of the older company towns. Labour turnover continued at high rates and the demographic profiles and age structures were distorted. For these reasons it is argued that the instant towns were simply a modern version of company towns. Indeed, the instant towns, with their planned appearance, their building codes, their urban appearance and mostly urban workforce, and their largely wage labour population, are an imprint in the hinterland, of the corporate and government identities in the metropolis that created them, and that continue to dominate and control them.

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Chapter One.

INTRODUCTION.

THE PROBLEM.

In 1965 a new form of industrial settlement, "instant towns", appeared on the British Columbia landscape. The provincial government of the day decreed that company towns would cease to exist. Instant towns would take their place and eliminate the high turnover, demographic distortions, sense of impermanence, and corporate control and paternalism associated with their predecessors. In the ten years following the establishment of the new towns the changes implemented by their sponsors were not as successful as expected. The thesis argued in this dissertation is that reforms such as granting municipal status, municipal franchise, and town planning cannot change the basic socio-economic characteristics of company towns and single enterprise resource based communities. While settlements remain isolated and dependent upon a single corporation engaged in resource exploitation, many of the social and economic features and problems of company owned towns will continue.

Instant town legislation prepared by the provincial government in British Columbia to implement changes in local government arrangements, town plans and the ownership of housing, could not ensure that the problems associated with the company owned towns would disappear (1). These problems which were largely structural, including an undue reliance on a single industry base, male dominance of the workforce, demographic

imbalances, alienation, and insecurity of tenure - resulted largely from the very nature and location of the enterprise on which the towns were dependent, and only partially from the matters addressed by the government legislation on municipal organization, enfranchisement, or from changes implemented by town planners.

It is recognised that resource extraction settlements exist in other areas, including Sweden, Australia, and USSR. While the problems outlined here appear to exist, in whole or in part, in most such settlements, this thesis will not make cross-cultural comparisons with resource extraction settlements in other economic or political systems.

The instant towns, created through the cooperation of the provincial government and multinational resource corporations, reflect the political economy of most other resource extraction industries of that scale in Canada, and indeed in many other resource dependent economies in the capitalist system (2). They are dependent on the interrelations of an unstable and manipulated world market, on fluctuating market prices, on foreign investment and control, and on large corporations whose multinational character means that each new settlement is a small but dependent sector of an international corporate empire (3).

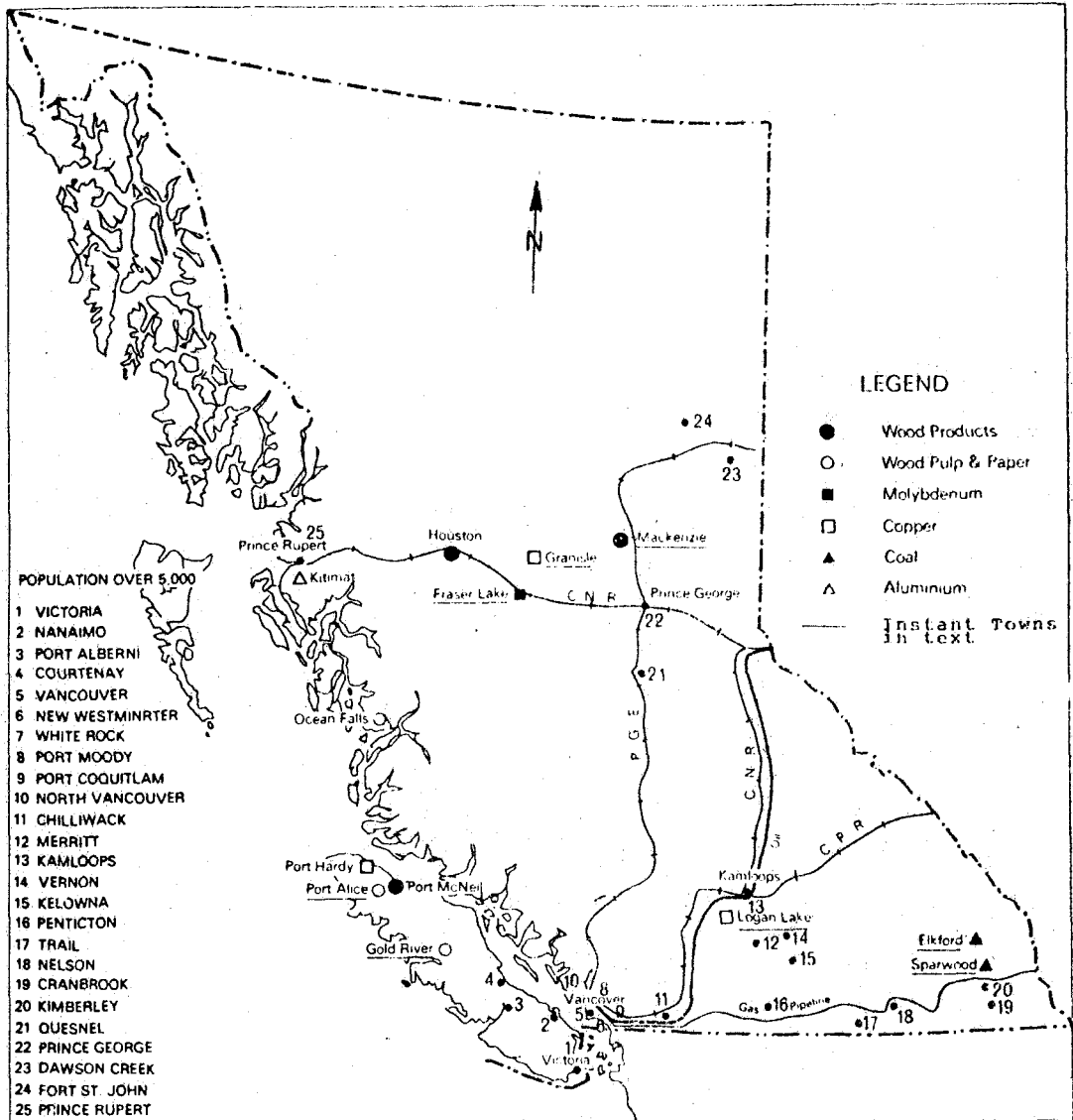
While the emphasis here is placed on the relationships between a particular form of centralized economic and political

control and organization, it can be argued that any form of centralized control of isolated settlements suffers structurally equivalent dependencies, and will lead to very similar symptoms.

Previous work in this field, in geography, sociology and planning, has sought to analyse the socio-economic characteristics of resource towns in terms of the internal dynamics of communities, the individual psychological makeup of workers, or the impact of the physical or planned environment on levels of satisfaction of workers (4). [This dissertation seeks to explain the perpetuation of socio-economic problems as the manifestation of a process in which resource based settlements are viewed as the implements of a resource extractive system based on, and responding to, external control, both corporate and governmental. As such the instant towns are part of a larger scenario taking place within the framework of the political economy of resource extraction not only in Canada but in the rest of the world wherever corporations are active in extracting mineral resources. The symptoms of social malaise displayed in the isolated resource towns in British Columbia can thus be considered as symptoms within a wider socio-economic system. The symptoms are thus not peculiar to the instant towns nor to company towns, but can be found in varying degrees in other communities. What is distinctive about their occurrence in small resource towns, however, is that because of the dominance by one company, the restricted social milieu, and the limited opportunity for alternatives, the symptoms often appear exacerbated, and dominant.]

Map One

Selected Instant Towns -
and, Other Urban Centres - British Columbia



Selected Instant Towns -
and, Other Urban Centres - British Columbia.

TOPIC.

The focus of this dissertation is the nine new instant towns constructed for the mining and wood pulp industry in isolated areas of British Columbia between 1965 and 1972. (See Map One). These towns illustrate the type of settlement developed to service mines and pulp mills, as well as demonstrating the kinds of structural solutions deployed to overcome the perceived socio-economic problems of company towns. While the building of new towns proximate to resource extraction sites was not unusual in the history of resource use in the province, the nine settlements created in the 1960's were unique in terms of the absolute numbers constructed, the multinational nature of the firms which took part, and the fact that they represent a deliberate attempt to bring about social and structural change.

Of the nine instant towns, six were attached to mines and three to wood pulp and paper plants. New plants, other than those represented by the nine instant towns, were also brought into operation in this period, but since they did not involve the building of complete new communities they are not considered in any detail. In several instances new urban sites were added to existing settlements to accommodate the workforce of new plants. These also were not considered in detail, but they are discussed in a broader perspective because they represent a comparable variant of the instant town idea. Both the new instant towns and the so-called "welded" communities were

subject to similar changes in local government, town planning and home ownership, and were given municipal status under the provincial Municipal Act. In addition they were both primarily single enterprise communities or company towns with comparable levels of dependency on large corporations. The major difference between the two was the presence of an existing settlement and community structure to which an additional community could be welded.

PORT ALICE, BRITISH COLUMBIA - AN EXAMPLE.

The geographical, economic and social conditions and circumstances of instant towns, are best described by reference to an example, the town of Port Alice. In June 1965, the newly built town, situated on an isolated inlet of Northern Vancouver Island off the coast of the British Columbia mainland, was created as the first instant town in the province. Originally a company town attached to a pulp and paper mill, it was first established in 1913. Between 1913 and 1972 the mill changed owners on six occasions and was modernized twice. The last exchange before 1972 took place in 1968 when the multinational corporation ITT absorbed the mill (Rayonier Canada, B.C., Ltd.) and the town into its international holdings.

Between 1962 and 1966 the old company town located between 100m and 250m from the mill was phased out. The houses were burned or removed, and the population relocated to a new site 7.2Km along the inlet. The operation, similar to a slum renewal

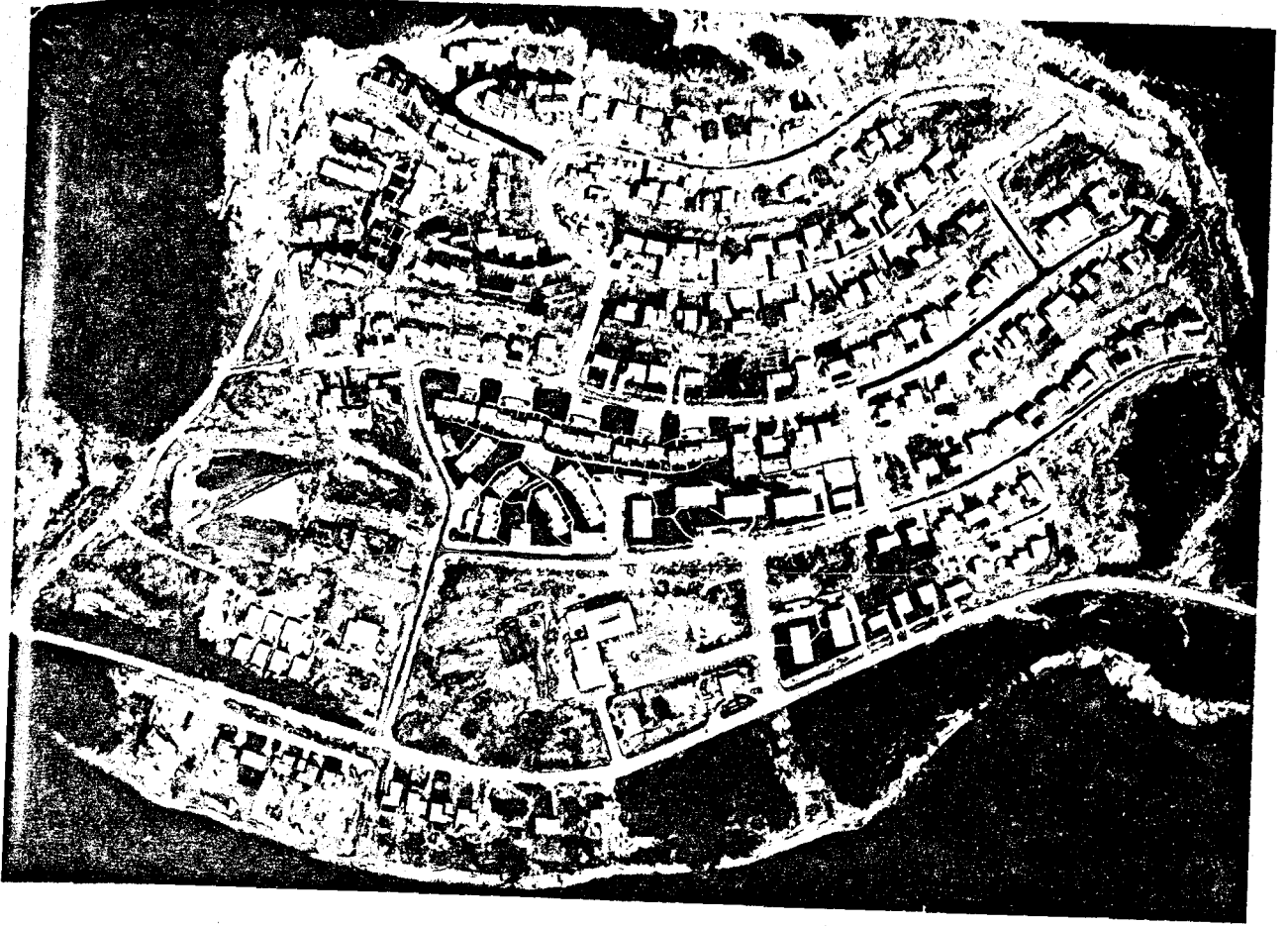
project in a larger city or inner city ring, was conducted by the owners of the pulp mill who wished to remove all traces of the company town from the landscape. On the new site the company employed a team of urban planners to design the new town. The site was cleared and on the sloping banks of a beautiful inlet the planners created a facsimile of a dormitory suburb complete with row houses, apartment units, curvilinear streets, and a centrally located shopping centre.

The new town was planned with a central physical focus for public and commercial buildings and with the residential areas on the periphery. The town in appearance resembles a suburban community with a high population density. The core of the settlement contains a supermarket, hotel, gas station, several small shops, post office, bank and municipal offices. To one side are the community centre, an Ecumenical church, a community centre, an ice arena, and an elementary and secondary school.

Port Alice is primarily a dormitory centre for the pulp mill located only 7.5Km away. It is relatively isolated from other urban places in the North Vancouver Island region, and until 1965 the only contact with adjacent communities was by air, water or rough logging road. By 1972 isolation was reduced somewhat by road linkages with other settlements, but linkages with Vancouver were still long and expensive.

Port Alice is a compact isolated village of heterogenous population which appears to be a minute transplanted urban

Plate 1 & 2. Suburbs in the bush - 1,
vertical perspective of planned layout, Port
Alice, B.C.; 2, results of town planning -
uniformity in layout, style, shape, Port
Alice, B.C., 1974.



centre. Its population has most of the material desires of people living in larger urban areas but few of the material means to satisfy them. The population in 1972 was approximately 1,800 comprising mostly young families, almost 50% of which were recent migrants to Canada. There were few people over 60 years of age, and few young single women. The population was male dominated with the greater proportion in the age group between 20 and 35 years (5).

The local workforce was employed largely by Rayonier Canada Ltd, a few in logging and the majority in the pulp mill. There was no other employer of significance and the Rayonier Company exercised a considerable economic influence on the town. A good percentage of the workers in the pulp mill were highly skilled technicians and engineers although a group of semi-skilled male workers were employed in a labour pool which had a higher turnover than for jobs requiring higher skills. Labour turnover, especially in the less skilled areas was high indeed, although not as high as that experienced in several other instant towns in the province. Such high turnover undoubtedly contributed to the generation of social problems, community instability, and also wrought havoc with attempts at community development (6).

The town is administered by a mayor and council, whereas previously the company controlled and organised the running of the settlement. Council and mayor are elected from the local population, but the company still retains some influence over

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the running of the town by virtue of its ownership of the major local industry. The company emerges as a dominant factor in local politics and organization; no longer is it the formal power structure of the company towns days, but it is still definitely an influence always to be considered. No longer always a paternalistic employer, the position of the mill has come closer to that of a bureaucracy, the structure and influence of which is felt throughout the town. The move from the old company town to the new, the change from a company town to a municipality, has not erased the old expectations about the duties of the mill as an employer. Despite all the company's attempts to avoid being viewed as a provider for the town, there is a tendency for the paternalistic role to remain in the minds of many people - not so much in the mill, but in the community and on the council (7). Indeed while communities like Port Alice remain the progeny of one large company they will probably continue to be subject to a degree of company control and paternalism.

There are several social problems in Port Alice which derive from isolation, transience, and industrial alienation. One of the major problems identified is non-involvement in community affairs, which is associated with a sense of personal isolation, boredom, and depression (especially on the part of house-bound women), though not in a clearly unidirectional causal sense (8). Social life is generally limited to the town area largely because of isolation, although some occasional contact is made

through sports activities and visiting patterns with adjacent settlements. In 1972 there was a range of clubs in the town including sports, cultural and social organizations. These were largely run by a small number of persons who were concurrently engaged in several organizational activities. The majority of the population was not involved in organization per se but were content to join in activities without becoming too involved. Many social and sporting activities were of a seasonal nature including ice hockey, curling and art in the winter, and fishing, hunting and other outdoor activities in the summer.

The day-to-day rhythms of the town are strongly influenced by the pulp mill with its changing shift routines and 24 hour operations. Most workers operated changing shift periods which meant that routines and family life patterns were continually changing. For the worker in the mill there is often no week-end in the usual sense, because routines are adjusted to a four day period between shift changes, which may or may not coincide with normal weekends, or other family or cohort social activities (9).

In 1972 there was very little work for women in the community, although some employment was available from time to time in the clerical sections of the pulp mill, or on longer term bases in the commercial and service sectors of the townsite. This lack of alternative employment also contributed to the dissatisfaction and mental health problems of many women in the town.

Children in Port Alice attended the local grade school but older children and teenagers commuted daily some twenty miles to the nearest high school. In a small isolated town such as port Alice there is a limited range of social alternatives and activities for teenagers beyond school and some sports. There were very few older teenagers in the town, except young men working in the mill. There were also very few young single women. Families with teenage daughters often leave Port Alice because of the large number of single males, even though in some cases the father had little opportunity of finding employment elsewhere. There was little of the variety of stimulus which young adults need.

The class structure of the town is clearly delineated along the lines of occupation categories in the pulp mill. Managers and foremen live in parts of town separate from the rest of the workers. Outside of work, people are usually identified by their role in the mill and social interaction occurs mostly among social class members. The strongest dividing line is between staff and workers, but within these groups gradations exist too. There are of course exceptions, but it is usually those of a similar status who interact in the local hotel, or who visit each other. In the mill, social conventions enhance this staff/worker division, and the different grades among the workers (10). Position and income are thus the prime indices of class, which while not unique to Port Alice is nevertheless very strongly felt in the closed social system of an isolated single industry town.

Port Alice exhibits many of the social and economic features of other small towns in British Columbia, but it has characteristics which, along with the other instant towns, differentiates it from other small towns and from older resource extraction communities in the province. The main points which distinguish the instant towns are that they were created as newly planned entities to provide a dormitory for an industrial plant or mine; they were given immediate municipal status so that people could have a vote and thus avoid the company dominance of local affairs; they were created in an attempt to avoid the image of the older company towns; and they are the progeny of large and mostly multinational corporations.

THE CONTEXT OF SOCIAL AND ECONOMIC CONDITIONS IN INSTANT TOWNS.

Before explaining the theoretical approach of this dissertation it is important to describe the social and economic conditions that the new instant towns were expected to modify. The major ones were high labour turnover and associated community and industrial costs; the distorted demographic structures of company towns; the effects of personal and physical isolation; the absence of a local political franchise; ~~the effects of personal and physical isolation;~~ and the instability and impermanence associated with the old company towns.

Remote industrial locations on Canada's resource frontier have traditionally experienced high levels of labour turnover.

This particular problem was one which both the resource companies and the provincial government in British Columbia had hoped to overcome in the instant towns of the 1960's. In most circumstances high labour turnover is very expensive for the resource companies, hence it was in their interest to attempt to curb it. A Manitoba study concluded for instance, that the:

"...average estimated cost associated with separation of one hourly paid employee was \$102 for a non-metal mine and \$646 for a metal mine. For salaried employees, separation costs for a non-metal mine (\$248) were 1/3 that of separation from a metal mine (\$665). The average cost of separations (both hourly and salaried) for both types of mines was \$584 with separations of salaried workers having an average cost of about \$71 higher than that associated with the separation of an hourly paid worker" (11).

Labour turnover in the new instant towns remained high throughout the 1960's, with, in some cases, slight declines in the early 1970's. Table I shows details of turnover rates for several of the instant towns built in British Columbia in the 1960's. Several experienced turnovers as high as 200% in one year, suggesting that the communities were unstable and fluctuating. Even the oldest of these new towns experienced high turnover rates; Kitimat, for instance, a new town built in 1952, experienced a turnover of 62% in 1973. Port Alice, originally established as a company town in 1918, had a 45% turnover rate in 1973.

Table I: PERCENTAGE OF LABOUR TURNOVER IN NEW INSTANT TOWNS
IN BRITISH COLUMBIA (12).

Town	1966	1967	1968	1969	1970	1971	1972	1973
Port Alice	91.8	65	55	55	45	45	-	-
Mackenzie	-	-	-	-	-	92	102	9
Granisle	-	-	-	-	-	-	-	198
Granisle	-	-	-	-	33a	42a	71	103
Logan Lake	-	-	-	-	-	90	84	87
Gold River	-	-	-	-	-	-	180	198
Tahsis	190	125	100	100	111	132	133	157
Elkford	-	-	-	-	-	-	-	77
(Kitimat)	-	38	-	34	34	16	31	62

a = Company estimates/records not accurate or properly kept.

Labour turnover then, while reduced somewhat in a few of the towns, is still very much a problem in the instant towns overall.

Distorted demographic structures too, continue in the instant towns, despite government and company attempts to reduce the traditional age and sex imbalances of company towns. Sex ratios in instant towns in the hinterland remain less balanced than in the larger urban centres or non-primary resource extraction centres. The average sex ratio in the instant towns in the 1971 census was 1.46:1.00 (males to females), whereas the sex ratio for all other urban places in British Columbia excluding Vancouver and Victoria was 1.10:1.00 (males to females). Note that of the thirteen settlements ranked in order of sex ratios in Table II seven were instant towns conceived in the 1960's.

Bob ... You are very Right.

Table II: SEX RATIOS OF RANKED RESOURCE TOWNS IN BRITISH COLUMBIA (13).

Town	Total	Males	Females	Sex Ratio
Tahsis	1,350	815	435	1.80:1.00
Ocean Falls	2,935	1,790	1,145	1.56:1.00
→ Port Alice	1,510	915	595	1.53:1.00
Fraser Lake	1,295	730	565	1.29:1.00
Ucluelet	1,015	565	450	1.25:1.00
Trail	11,150	5,665	4,515	1.25:1.00
Stewart	1,355	755	600	1.25:1.00
Mackenzie	2,330	1,290	1,040	1.24:1.00
Sparwood	2,990	1,630	1,360	1.19:1.00
Valemount	690	375	315	1.19:1.00
Houston	2,235	1,210	1,025	1.18:1.00
Port Hardy	1,765	955	810	1.18:1.00
Kitimat	11,805	6,340	5,465	1.16:1.00

The change from company town to instant town in Port Alice brought an increase in population, but no change in the proportion of each sex.

Table III: MALE AND FEMALE RATIOS, CENSUS 1961 and 1971- PORT ALICE, B.C. (14).

	1961	%	1971	%
Total population	1,065		1,510	
Males	643	60.4	915	60.6
Females	422	39.6	595	39.5

[Both the creation of instant towns and the hiring policies of the companies involved were aimed at attracting families who would bring stability to the community and contribute to a more balanced age structure.] In fact little change in the desired direction occurred. In most instant towns the working age groups of 20 to 35 years continue to dominate, while young people and retired people are proportionally few. Indeed in Port Alice, the change to an instant town resulted in a decrease in the proportion of persons over the age of 55, until it represented almost one quarter of the proportion displayed by

Correct

all other settlements in British Columbia in the same category. The town also experienced a decrease in the proportion of population in the working age group of 35 to 44 years and a corresponding increase in the working age group between 20 and 30 years. Thus the population in the working age group became younger in Port Alice because neither the anticipated reduction in more transient age groups, nor the removal of the decapitated age structure occurred, at least between the census periods examined here.

Table IV: PERCENTAGE AGE GROUPS, 15 YEARS AND OVER-
CENSUS 1961 AND 1971, PORT ALICE, B.C. (15).

Age group	% 1961	% 1971	% + - change	Other B.C.Towns 1,000 - 2,499, %.
15-19	10.0	11.3	+1.3	13.1
20-24	17.7	19.2	+1.5	11.8
25-34	30.2	32.5	+2.5	20.7
35-44	22.8	17.2	-5.6	16.8
45-54	11.2	12.8	+1.6	14.8
55+	13.2	6.9	-6.3	22.9
Total	100.0	100.0		100.0

If the instant town policy was unsuccessful in modifying traditional demographic patterns, it was even less successful in dealing with the physical isolation and personal isolation, and the sense of impermanence of resource based communities. [Most of British Columbia's new instant towns were, like their predecessors company towns, geographically isolated simply because resources are not always located in any one central place. The communities are thus almost without exception found in the sparsely settled areas of British Columbia. The particular location and isolation factors almost guarantee that

each settlement will remain a single enterprise community. } The rationale of location also rules out the possibility of additional industry and mitigates against diversification of the economic base and the expansion of population. By virtue of the nature of the enterprise therefore, the factor of isolation is self-perpetuating. Thus communities attached to a single enterprise operation almost always remain isolated (16).

It is important, however, to distinguish between several further types of isolation. There is, for instance, inter-community isolation which is largely a matter of distance and geographical location (supra), and there is intra-community isolation, or the isolation felt by individuals which is commonly derived from interpersonal relationships. Both forms of isolation are related to accessibility of alternative facilities and alternate social relationships. The individual's feelings are related to a wish to take part in some desired or alternate activity (17). However, it is important to note that such feelings are not peculiar to isolated settlements, being commonly experienced by other rural or urban dwellers, if not so acutely (18). Therefore, this particular kind of isolation which is manifest in the remote resource towns, rather than being unique to any single enterprise resource town, is shared to some degree by many individuals in many different milieux. The isolation experienced in remote resource towns is however exacerbated by composite factors related to alienation, community instability, turnover, demographic circumstances, and the absence of female employment opportunities.

The planners of the new resource towns in British Columbia in the 1960's were cognizant of the impact of isolation on workers who were going to live in the new settlements. They conceded that the lack of alternate sources of entertainment and recreation was partly responsible for the effects of isolation and therefore attempted to overcome them by providing recreational facilities in the form of ice arenas, libraries, community centres, bowling alleys, and hotels, all as part of the urban infrastructure of each settlement. However the circumstances of each individual varied widely and in most new resource towns there were persons who responded favourably to the provision of recreational facilities and others who did not. The result was that the feelings of isolation often persisted despite the availability of recreation (19). The absence of alternate or adequate commercial services also contributed to the expressed feelings of isolation in resource towns, particularly where there were no choices of sales outlets available, where local monopoly was evident, and where prices were higher than in adjacent centres or in the metropolitan centre (20).

Feelings of isolation and expressions of such phenomena as 'bush-fever' or 'cabin-fever' are often relative to the background experiences of each person. For some individuals the isolation is an attractive feature which is readily incorporated as part of a lifestyle, but for others the isolation is only accentuated by a lack of experiences or unwillingness to

incorporate those features of isolation into their lifestyles. The benefits as seen by some workers are hunting, fishing, boating, and a general attraction to the outdoors; but for others who feel the effects of isolation, the so-called attractions are perceived as part of a hostile physical environment (21). Such preferences and perceptions could hardly be altered by changing the legal status of resource towns.

A further problem addressed by British Columbia's instant town legislation was that of the instability and potential demise of company owned resource towns. The 'ghost town syndrome' has been well documented and illustrated on numerous occasions (22). Implicit in the whole approach to resource extraction in British Columbia and Canada, has been the principle of establishing settlements which could serve the purposes of mine or mill, showing little regard for regional service functions or the service of agriculture or a multi-industrial base. Thus, as several authors have argued, the basic premise of isolated industrial settlement has supported instability and impermanence (23).

The premise under which the instant towns in British Columbia were built, and under which the provincial government presented its plans for a settlement policy, was one which supported the notion of controlling the levels of stability and turnover in resource towns. The government and the companies argued that the creation of new towns with all the physical trappings of an urban centre, and all the physical aspects of a

permanent settlement, would in some way modify the stability of the resource towns in the province. However, there was one vital flaw in this particular argument: the permanence or stability of a settlement was allied with the fortunes of the resource base of the community and the fortunes of the company which operated the industrial enterprise, and not with the settlement per se. No amount of physical planning or social planning could affect this basic linkage between industrial dependence, and settlement dependence and stability.

Arising from these geographical, locational and economic problems associated with company towns and instant towns, are serious and individual social conditions which seem especially prevalent and noticeable in the instant towns. The Fowkes Report, in 1973, intimated that individuals within new communities, especially instant towns, were prone to mental health problems and industrial health problems (24). While the data on which the Fowkes Report was based are suspect, other work corroborates the conclusions of that report.

Overstall, Morris and Latham, in three separate investigations, also commented on the high incidence of mental health problems in new resource towns in B.C. Overstall, for instance, stated in 1974 that:

"In human terms the rapid development of the resource extracting industries of B.C. must be termed a failure. While the creation of instant towns and the accelerated growth of existing communities can be justified in an economic sense, the process has so eroded personal and community

spirit that severe social, mental and physical sickness is endemic (25).

However, Overstall was careful to point out that there is an important differential impact of industrial culture in northern resource towns between what he identified as the pioneers, or old time residents, and the new arrivals, "...who take advantage of job opportunities and development possibilities to make good money and move back south" (26).

Morris and Latham, in separate observations, commented on mental health problems in new instant resource town in B.C, with specific references to the instant town of Port Alice on Northern Vancouver Island. Morris, a medical doctor in Port Alice in 1972, reported that the incidence of mental health problems as a manifestation of rapid industrial growth and the migration of 'southern workers' to isolated resource towns, was becoming increasingly noticeable (27). Supporting evidence was supplied by Overstall, who in his investigations of northern mental health problems, indicated that in new industrial towns of Kitimat and Houston, there were "...a large percentage of high risk families" (28).

Closely associated with these individual problems found in the instant towns is the problem of community involvement and apathy. Clearly the instant towns have not eliminated, and indeed have hardly modified the problems which they were meant to address. Indeed in some areas they appear to have created new ones. Some of the reasons why will be discussed in the rest of this dissertation.

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Chapter Two
THEORETICAL FRAMEWORK.

The theory to be developed is based on the need to fill a gap in past work on the geography of resource towns and in the political economy of resource extraction in Canada. Past work has not brought out fully the relationship between resource towns, their socio-economic characteristics, and the particular structure of the political economy in which they exist. In attempting to analyse these relationships and to elucidate this structure, this dissertation deals with essentially uncolonised conceptual turf in geography (1).

The analysis here focuses on the roles of three interlocked elements vital to the metropolitan dominance of the hinterland in a capitalist system - the role of the state, the role of the corporations and the role of investment and capital (2). The interaction between these three elements, between political, corporate and economic forces, is physically manifested in the new instant towns built at resource extraction sites in British Columbia between 1965 and 1972.

The relationships between metropolis and hinterland and between the three elements - the state, corporations and capital, are not static - they change with the changes in the political economy of the whole (3). Any examination of the relations between metropolis and hinterland must therefore take into account the historical period in which the relationship occurred. Note must also be taken of the nature of the power

relationships involved in the metropolis and the hinterland. First it is necessary to understand the processes that operate and dominate within the particular political economy of any resource extraction region. Once these processes are understood then the forces or the elements, in this case the state, the corporations and capital, can be discussed in detail.

Canadian history, and indeed the history of other resource extraction regions under capitalism, suggests that it is almost always some collaboration between the state and business (private enterprise) that has brought about the growth of resource extraction industries in the first instance (4). Concomitantly, those characteristics of the Canadian economy which categorize it as a resource extraction hinterland have reinforced the roles played by the corporation executives and government bureaucracies, at both the provincial and federal levels. Furthermore, it has been the unwillingness or the inability of the dominant form of Canadian capital to invest in extractive industries, which has facilitated and encouraged the penetration of foreign direct investment and industrial capital into resource extraction in Canada (5). Therefore within the Canadian context, and more specifically the context of British Columbia, a theory seeking to analyse development of resource extraction areas and settlements must examine the role of federal and provincial governments, and the philosophic premises of the actors engaged in the development of resource extraction industries.

THE ROLE OF THE STATE.

The role of the federal government between 1952 and 1972 has been analysed in detail by Fayerweather, Watkins, Brewis and others (6). Although its function is not the major focus here its role should be mentioned briefly. The jurisdiction of the federal government is dictated largely by the British North America Act of 1867 which gave jurisdiction over trade and commerce to the federal government (7). Provincial government powers however have increased over the years, and, at least between 1952 and 1972, rich provinces such as British Columbia, were left relatively free to pursue their own development programmes. Thus the Liberal party could say in 1966 that it was desirable to encourage greater Canadian ownership of industry. But at the same time it did not enact policies to effectively perpetrate this situation, and provinces such as British Columbia were able to actively pursue foreign investment and development of resource extraction industries. The federal government's policy is best summarised in the following quotations from Fayerweather whose remarks are based on a 1966 study of the Liberal party platform:

"The government should take steps to encourage greater ownership of the economy without discouraging foreign investment....We must provide the legal and policy framework in which the foreign investors can make the maximum contribution to our national welfare" (8).

In addition the federal government sponsored regional development programmes under the auspices of the Agricultural Rehabilitation and Development Act (ARDA), the Area Development

Agency (ADA), and the Fund for Rural Economic Development (FRED), but only small proportions of these programme funds were spent in British Columbia in the period considered here (9).

It was the provincial government, in the Social Credit era between 1952 and 1972, that played the vital role in the political economy of resource extraction in British Columbia, leading to a degree of dependence on, and domination by, foreign resource companies and Eastern Canadian and United States banks. It encouraged the flow of capital and migrants into the province in order to promote the expansion of private enterprise (10). The government was largely concerned with building an infrastructure of roads, railways and bridges to facilitate the activities of resource exploiting companies such as Noranda Mines Ltd, and Kaiser Resources Ltd, a subsidiary of the Kaiser Corporation of California. The province also acted as a financial intermediary, and as a provider of social overhead capital and specialised services through Crown Corporations, and through government departments, especially Municipal Affairs, Highways and Forestry.

Gonick claims that:

"Besides the provision of social welfare, the state must also, within the limits imposed by the prevailing economic system, assume responsibility for many functions and services which are beyond the scope and capacity of individual capitalists, even giant corporations. [These include establishing a favourable fiscal and monetary climate for economic growth; underwriting private risks at public expense through a wide variety of incentive programmes, grants, subsidies, tariffs,

accelerated depreciation allowances, etc.; state financing and ownership of public utilities, railroads, airports, and highways to assure low cost or free services to facilitate growth; an immigration policy to provide both skilled and unskilled labour; a public land policy that leases land on favourable terms for mining, forest, and recreation development; sanitation, hospitals, medical care, educational facilities, unemployment insurance, and manpower services which absorb the social costs of private enterprise production; financing all basic research and most commercial research to develop new products and techniques of production" (11).

It was precisely these functions that the government in British Columbia filled between 1952 and 1972. However it is also important to recognise that funding and control of unemployment insurance, and shared funding of public utilities such as utilities highways and airports were either shared or paid in full by the federal government.

THE ROLE OF THE CORPORATIONS.

The corporations, or more correctly, the corporate structures of the business world, in turn form an integral and interlocked arm of the triangle. Several assertions can be made about the role of the corporations in a resource extraction economy such as that of British Columbia. In the first place virtually every sector is dominated by less than a handful of large corporations which on the whole are controlled and by a relatively small number of individuals based in parent organisations, holding companies and banks in Eastern Canada or New York (12). Secondly, the majority of large and multinational corporations operate through minority companies

based in either Vancouver, the secondary metropole, or in Toronto/Montreal, the intermediary metropole between the hinterland and New York. A concomitant assertion arises from the process whereby the act of corporations becoming, or being absorbed into multinational organisations, meant that local or hinterland capital and elites, were annexed by the international elites in the financial centres of power.

Because of the very nature of capitalism in the 1960's, the corporate enterprise, with its managers, its directors, and its interlocked controlling structure, formed the basic unit of production in resource extraction. Corporate enterprise served as the distribution, marketing and price controlling mechanisms as well. Hence enterprises became horizontally and vertically interlocked and integrated, the better to serve these purposes. Similarly the corporations endeavoured to find the most profitable places to invest their own capital, and the capital of banks, trust companies and other investing bodies. The overall objective and effective role of the corporations in British Columbia in the 1960's was to perpetuate and entrench the staples extracting economy of the province (13).

The role of business and the very nature of the corporations involved will thus be examined. Where a prolonged period is to be considered this involves examining any changes in the nature of the enterprise involved - eg. from chartered companies to joint stock companies, or from small businesses to large corporations, to multinational corporations and monopoly

and oligopoly. Indeed the pattern of ownership and control in each of these categories indicates a polarization and centralization of control into a smaller and increasingly centralized class of corporate managers and owners, and government bureaucrats. The implications of this process is that the exercising of control is not only concentrated in a few hands, but in fewer and fewer financial and trading centres, which we may call metropolii. Furthermore the implications for the hinterland, that is the region of investment and resource extraction and the class of non-owners who work in the areas, are such that both the working class and the settlements in which they live, and indeed the whole political economy, are subject to the decisions made by corporate bureaucracy, and to the vagaries of the fluctuations in the extractive industry market-place (14).

THE ROLE OF FINANCE AND INVESTMENTS.

The third element in the triangle, finance and investments, raises the question of control and ownership of resources and industries in the hinterland. The opening words of the Gray Report on Foreign Direct Investment in Canada put the case clearly:

"The degree of foreign ownership and control of economic activity is already substantially higher in Canada than in any other industrialized country and is continuing to increase" (15).

The type of industry and new town development which occurred in British Columbia between 1952 and 1972 was very

dependent upon investments generated in New York, London and Tokyo. Considered in the light of the metropolis-hinterland model these investments were the direct result of metropolitan need for secure places to invest and for supplies of raw materials. It was also the kind of investment which was directly invited under the provincial government's fiscal policy between 1952 and 1972.

Investment in British Columbia was in the form of direct and portfolio investment. Generally the objective of portfolio investment is to obtain high and stable returns on capital without necessarily seeking control. Direct or equity investment however, implies ownership and control over the firms themselves. "Unlike loan capital, equity capital is not distant, passive and self-liquidating. It is, on the contrary, present, active and self-perpetuating" (16). The greater proportion of investment which occurred in British Columbia's resource industries was direct, thus tying the local resource extractive industries into an international economy controlled by metropolitan banks, investment houses and multinational corporations. The nature of these investments and the institutional interlocks between them and development corporations, illustrate one more factor in the dominance of British Columbia's resource extractive industries - that of the dependence upon large corporations and foreign investment for development (17).

The pattern of investment in British Columbia between 1952

and 1972 is illustrative of a pattern commonly found in Canada. Infrastructural items were funded by provincial investments based on long-term debt abroad, while Canadian capital moved into shorter term financial investments (18). This movement left a gap which was filled by foreign capital largely in the form of industrial capital. It is important also to differentiate between merchant capital and industrial capital.

"Industrial capital needs cheap raw materials, easy credit conditions, and low transport costs; merchant capital relies on regional scarcities of raw materials and goods to obtain high prices extracted through credit costs, transportation rates, and merchandise mark-up. Merchant capital, typified by a low ratio of fixed to circulatory capital, also needs rapid turnover, and cannot undertake long-term risk investment. It is therefore oriented towards abetting the quick extraction of staple output rather than industrial processing" (19).

Thus in dealing with the relationships between metropolis and hinterland, the roles of capital, the state and the corporations must be viewed as interconnected and linked. The three elements are viewed here as combining (and competing) to bring about the kinds of industrial growth and resource exploitation which occurred in British Columbia between 1952 and 1972. The political and economic context, the geographic pattern, the dependent status, and the integration of the instant towns into the political economy of global resource extraction, indicates some of the reasons why instant towns fulfill the same role as company towns, and why, in the final analysis, the attempts to bring about social and economic change in resource towns, by means of the Instant Towns Act in British Columbia, could not be completely achieved.

RELATED LITERATURE.

Studies related directly to resource towns in Canada in the past, at least until 1974 (circa), generally sought to describe symptoms of problems rather than to analyse the political and economic context in which they occurred (20). These authors did not make the necessary connections between the socio-economic conditions of the hinterland per se, and the economic and political conditions dominant in the metropolis. Without such linkages the socio-economic problems of resource towns become a result of local aberrations or conditions and not part of overall conditions in the political economy. In attempting to explain the problems of resource based communities emphasis was also given to such factors as the lack of sufficient local resources, or the distance from markets which is purported to deprive isolated communities of alternative industries and consumer markets (21). Other studies emphasised the high labour turnover problems of resource towns without attempting to relate them to the whole labour situation of resource extraction in Canada. Still others made their focus the planned nature of new resource towns and sought the answers to company town problems in planning and design theory (22).

Several studies in the field of life style analysis and resident perception in the 1960's, focused on isolated resource based communities in Canada, but these did not emphasise the social, political or economic relationships of each community with the outside world (23). They also chose to analyse

hinterland resource towns as essentially isolated systems in which individuals derived their livelihood, but were not impinged upon by forces within the political economy. For this reason they sought, for example, the causes of settlement impermanence inside communities rather than in the economic structure and the relationships of industry (24). The same reasoning led others to seek the causes of labour turnover in the dissatisfaction of workers with the physical conditions of the settlements and the lifestyles of northern towns; rather than relating the lifestyle and the dissatisfactions to general trends of industrial work conditions, to patterns of labour migration, or to alienation and employer/employee relations within the capitalist economic system (25).

Other models which have been used to analyse the particular aspects of Canadian political economy of interest here are derived from the staples thesis in the 1920's and 1930's, and from a revival of the metropolis-hinterland model in the 1960's. Innis and Gras, working in the 1920's in Canada and the United States respectively, were the first in this field. Innis for instance, focused on the importance to historical development in marginal areas of the peculiar characteristics of each particular export staple. In his own words:

"Concentration on the production of staples for export to more highly industrialized areas in Europe and later in the United States has broad implications for the Canadian economic, political and social structure. Each staple in its turn left its stamp, and the shift to new staples invariably produced periods of crises in which adjustments in

the old structure were painfully made and a new pattern created in relation to a new staple" (26).

According to this particular staples approach, the political economy of resource extraction, including for the present purposes the instant resource towns in British Columbia, changes according to the type of technology employed and the type of staple exploited. The analysis has certain limitations, largely derived from the small weighting given to the role of the corporations, the structure of financing and ownership, and the role of the state as a promoting and facilitating organ of development. In addition the staples model, as a form of technological determinism, was not concerned with the processes and the implications of class, ownership and economic imperialism as specific categories (27). The staples thesis, despite its limitations, represents a strong heritage in the literature related to understanding the development of the Canadian political economy and resource extraction industries, and as such has an important bearing on the thrust of this dissertation.

Kerr is one of the few geographers to use a form of the metropolis-hinterland model as a tool of analysis. His focus was the financial dominance of certain firms which brought about the concentration of capital in specific urban centres within a national economy. However Kerr, like others before him, chose to emphasize the spatial dominance of certain elements, rather than their manifestations on hinterland settlements and economic activity. For instance, he stated in 1968 that "...the

Metropolis is a centre of wealth and power, large in size and diverse in function, providing in turn a wide range of specialised services, cultural attractions and educational facilities" (28). He was especially interested in the control that the metropolis exerts in financing the hinterland: "From the nature of things the metropolis will develop financial resources to the limit to care for both the extended and the hinterland trade, the inter- and intra-metropolitan commerce" (29). Kerr argued that not only does the financial centre play a vital role in the development of the hinterland, but in turn that the very development profoundly influences the financial centre. In short, he indicated, by way of illustration, that the prominence of the Toronto financial market in 1968 could be traced to earlier developments of mining properties on the Canadian Shield which, in turn, strengthened the financial community and made Toronto a somewhat more attractive trading centre than Montreal during, and in particular after, the depression of the 1930's.

Between 1960 and 1974 (circa) a new metropolis-hinterland framework was developed by Watkins, Gonick, Davis, Usher and Laxer, et al, largely to resolve the criticisms of the staples model and to develop industrial strategies for Canadian development (30). Hymer's particular version of the model suggests a static and spatial context which gives little consideration to the concept of process or causal relationships. In Hymer's words:

"One would expect to find the highest offices of the multinational corporations concentrated in the worlds major cities - New York, Paris, Bonn, Tokyo...Lesser cities throughout the world...deal with the day-to-day operations of specific local problems. These in their turn will be arranged in a hierarchical fashion; the larger and more important ones will contain regional corporate headquarters, while the smaller ones will be confined to lower level activities...Since business is usually the core, geographical specialization will come to reflect the hierarchy of corporate decision making, and the occupational distribution of labour in a city or region will depend upon its function in the metropolitan economic system" (31).

Watkins added a variation to this essentially spatial and non-process oriented concept, by suggesting that the linkage between the dominant metropolis and the subordinate hinterland, was formulated by an executive chain which commenced in the head offices of mining and wood pulp corporations located in major financial centres such as Tokyo, Toronto, New York or Vancouver and extended down to eventually arrive at the resource extraction settlements in the hinterlands (32). Although Watkins' and Hymer's analyses recognised some of the reasons why the power structure of corporate capitalism was constructed in such a spatial format, they did not emphasise the role of the state and the imperialistic and exploitative nature of the process they were describing. Their analyses were in addition, from the perspective of the metropolis, that is the centre looking out, rather from that of the hinterland, which is one of the objectives of this dissertation.

The perspective of the hinterland is captured by Usher, a geographer concerned with underdevelopment in Canada:

"Whether treating metropolis-hinterland relationships on an international scale, as between imperial power and colony, or at a lower level as between city and region, most research has been devoted to an explanation of flows of capital, resources and labour between the two, and the benefits to each. Generally the relationship is seen as reciprocal or symbiotic, in which the division of functions between the two is necessary and beneficial to the development of each. Since the basic factors of production are not distributed evenly over the face of the earth, the problem is one of ordering their arrangement so as to maximize benefits. The real (and inescapably political) question, however, is for whom and to what end shall these benefits be maximized?" (33).

According to Usher, most research in Canadian social science has viewed the relationship between metropolis and hinterland as symbiotic and reciprocal. Often the premises of this research have tended to obscure the recognition of the exploitation of resources and labour in the hinterland areas. As Usher suggested:

"...rather less attention has been given to the impact of this dominance on the hinterland itself, and particularly to the question of whether the relationship is a symbiotic one between equals or a parasitic one more characteristic of imperialism" (34).

A similar stream of interpretation can be identified in several authors who applied modifications of the colonial and metropolis-hinterland model of A.Gundar Frank to Canada during the 1960's and early 1970's. This list includes Davis, Laxer, Archibald, Gonick and others who formed a Socialist group, one of the purposes of which was to develop an anti-imperialist economic and development strategy for Canada. Moreover, as Gonick suggested in 1972, the colonial relationships of the past

in the hinterland areas are retained nowadays, and it is simply the mechanisms and devices in the capitalist economic system which have changed:

"In modern times, appropriately called economic imperialism, the relationship is far more complicated and subtle. Metropolii and satellites are not usually bound together by formal political ties or by sets of legal regulations. The imperial mechanism is primarily one of investment and trade tied to investment. The main instrument is no longer the trading company and the finance house; it is the multinational corporation" (35).

Clark added another dimension to this type of analysis of resource towns when he used a modified form of a metropolis hinterland model to investigate the particular circumstances of northern Quebec mining settlements and company towns. As expressions of metropolitan enclaves in the hinterland, these northern towns were easily recognised by their urban and corporate imprint, best demonstrated in Clark's own words:

"The nature of mining was such that there was seldom more than one company operating in any one area. Every company almost had its own town, large or small, and, within the boundaries of this town, all development was under the control of the company. Thus, from the very beginning, the towns of northern Quebec had been given a highly urban character. It was not permitted to grow, as most towns have grown, from a rural village to an urban form. Everything about the company town was urban, including its population. The company personnel set the tone of the town, and this was a personnel highly urban in social background. It was from the outside urban world that were recruited by the company the plant managers, engineers, accountants, technicians, and even skilled workers who made up a large part of the population of the company town" (36).

In support of this notion of corporate domination of the

hinterland areas, Clark extended the relationships within his thesis to the whole of Canada:

"It was upon a very narrow economic base that the Canadian community was built. Canada has been what the late Harold Innis called a hard frontier. The exploitation of her resources has required large amounts of capital, corporate forms of business enterprise, and state support. In the structure of its economic life, the country as a whole has had much of the character of a single enterprise community" (37).

A metropolis-hinterland model is used in a similar manner by the Development Education Centre in their analysis of Canadian underdevelopment:

"The process of unequal and dependent development is generated in a hinterland nation or region by the channelling of its natural, financial and human resources to another centre, a metropole. The hinterland is integrated into the process of development of the metropole in a way which destroys and limits the growth of the former's productive forces. Through the same process which makes the hinterland dependent, the accumulation and concentration of wealth in the metropole is promoted....This process occurs both among nations and among regions within each nation....These relations also operate at the provincial and local levels. In this sense, it could be said that Vancouver operates as a metropole in relation to the British Columbia interior, from which minerals and lumber (natural resources) and labour (human resources) are drawn on terms that progressively enrich the city at the expense of its hinterland" (38).

Naylor goes somewhat further in suggesting a method of analysing in more depth the nature of the connecting process between metropolis and hinterland:

"From the structure of the metropole, its dominant class, its stage of development and the structure of capital, and its external economic

requirements, we can deduce the character of the imperial linkage. From the form of the imperial linkage follows the political economy of the hinterland and the degree and pattern of development. From the political economy of the hinterland, the nature, horizons, and policy of its dominant class can be deduced. The dominant class is directly dependent on the metropole; other classes, in contrast, are defined by their productive relationships with the dominant class and thus are related only indirectly to the metropolitan class structure. That is, while internal dialectics of class and of capital accumulation may determine the nature of metropolitan expansion, the social structure and the structure of capital in the hinterland cannot be regarded as independent of the metropole. On the contrary, internal changes in the metropole are the immediate cause of socio-economic reorganization in the hinterland" (39).

Clearly what we are looking at in the long line of Canadian economic historians in the staples and metropolis-hinterland genre, from Innis to Gonick and Watkins, and to Usher and Naylor, are the attempts to define the parameters of Canada's existence as a staples extraction hinterland. The net problem of what they were examining is the apparent underdevelopment of specific areas of Canada.

This literature suggests that the instant resource towns in isolated areas of British Columbia are part of a process in which the metropolis defines the character and extent of economic development in the hinterland. The new towns on the resource frontier are the lower echelon linkage between metropolitan centres and hinterland resource extraction sites. The metropolitan power in the British Columbia context is represented by a group of large and multinational corporations who were encouraged by the expansionist policies of the Social

Credit government. The linkage is formulated by an executive chain commencing in the head offices of mining and lumber companies in Tokyo, Toronto, Vancouver or New York and extending through several levels to resource extraction sites proximate to the instant towns.

The macro-view of the instant towns employed in this dissertation focuses on the roles of the state, the corporations and capital in the development of instant towns. This makes clear the reasons for the growth and development of the settlements and their inherent and systemic characteristics. By analysing the elements of the system which created the settlements it is thus possible to understand why such reforms as municipal government and franchise, and town planning, do not make any great changes in the basic dependence of the communities on a single-enterprise corporation, or to the basic ownership, control and class patterns which were so obvious in the older company towns and are still apparent in the instant towns. High labour turnover, alienation, a sense of impermanence, demographic imbalances, and insecurity of tenure, may only be minimally modified by such essentially cosmetic reforms. To expect more, as did the framers of the instant town legislation of the 1960's, was to ignore the political economy of such communities, and the political economy of British Columbia, and of Canada itself.

ORGANIZATION AND SOURCES.

The dissertation is divided into seven chapters and a conclusion. The first two chapters have presented the problem and the thesis, and developed a conceptual framework from a critical examination of the literature on resource towns, the staples thesis, and the metropolis-hinterland model. Chapter three develops the notion of corporate ownership and capital within a resource based economy and illustrates the pattern of dominance which is exerted over the instant towns in the hinterland. Chapter four illustrates the historical role played by the provincial government in the creation of an economic climate between 1952 and 1972 which proved attractive to large corporate expansions and the creation of new resource towns. Chapter five demonstrates the specialised role of the provincial government (the state) in creating and shaping a new settlements policy for resource towns, and to facilitate the expansion of the larger corporations. Chapter six indicates the role played by town planners in the instant towns, and Chapter seven discusses their socio-economic characteristics as manifestations of corporate expansion in the hinterland, and of the particular political economy dominant in the resource extraction sector of British Columbia between 1952 and 1972.

The data concerned with corporate policy, the nature of the corporate structure, and the interlocking mechanisms of companies concerned with the instant towns, were drawn from the Canadian FINANCIAL POST corporation files, the directories of

ownership prepared by the FINANCIAL POST, annual reports of companies, government statistics on ownership and control, the Canada-Japan Trade Council, and several Royal Commission reports prepared on the British Columbia forest industry.

Data on government policy related to the expansionist programmes of W.A.C. Bennett between 1952 and 1972 were drawn from primary documents, including speech transcripts, in the provincial library of British Columbia. Documents, including details of annual department reports, ministerial reports and newspaper records were drawn from the special collections of the same archives. The ready accessibility of many of these records, and the availability of annual budget documents and newspaper records, meant that this information could be readily corroborated. Although the speeches of ministers are limited in number, and restricted in the years covered and hence are sketchy in places, the budget records and debates of the premier are recorded for all years, and these documents, together with extensive newspaper records, enables a good coverage of the government's expansionist programmes.

The section on government planning and town planning and design in the instant towns is drawn from newspaper accounts, a survey in the town of Port Alice, annual reports of the Department of Municipal Affairs in British Columbia, and secondary information from other planned settlements in resource extraction areas across Canada. Specific information on government planning policies was derived from annual ministerial

reports, interviews with the minister and several staff members. These data were readily correlated with newspaper accounts both in the major dailies in British Columbia and in the smaller local papers in the hinterland. Unfortunately records and letters pertaining directly to planning and decision making of the day-to-day operations in the Department of Municipal Affairs department while the instant town legislation was conceived, were not retained by the department records office. Other data related to the planning of the towns by planning companies was obtained from the records and reports of those companies. These files contained records of the proposals and rationales for the planning techniques and the plans adopted for each instant town. Data were only available for the preliminary plans of towns and no record was kept of any follow up studies which may have reflected on the socio-economic impacts of the planning. Instead field observations, interviews, surveys, and newspapers accounts were used for this purpose.

Information on the physical and social aspects of the instant towns were collected on visits to the settlements between 1973 and 1975. A preliminary visit was made to Port Alice in 1972, and to Gold River in early 1973. Both towns were subsequently used for further pilot work preparatory to field work in Port Alice in 1973 and 1974. An initial report was prepared following the first visit to Port Alice; this subsequently became the basis for a research proposal. Visits were also made to seven other instant towns between 1973 and

1974 and discussions were held with company and municipal officers in each case; follow up research in these communities was conducted by letter and through the use of taped interviews and newspaper records. In Port Alice field work was conducted both as part of a survey conducted by a research group from Simon Fraser University, which later published an extensive report, and by independent field work and research in the area (40). On all occasions data were collected using surveys of townspeople, including questionnaires, taped interviews and discussion techniques. Other data on socio-economic circumstances in the settlements were collected from government departments, newspaper files, and from taped interviews and discussions in Sparwood, Gold River, Granisle, Logan Lake, Elkford, and Mackenzie. Where information was available in the form of reports it was cross checked with field observations and newspaper records. Specific information on demographic changes was readily available from Census Canada sources although some detail was lost on occasions because of aggregation problems and size limitations in data. Specific and fully reliable information on the incidence and epidemiology of social malaise in each settlement was not readily available from medical sources or from government surveys or records. Where information was available it was generally either too infrequent or could not be used for ethical reasons because of the very small sample involved. Instead discussions with workers, reports from secondary sources, including consultants reports and reports from other northern and isolated settlements, and

local newspaper reports, editorials and letters to the editor, were used to create a picture of conditions in the instant towns.

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Chapter Three.

CORPORATE CONTROL OF BRITISH COLUMBIA'S RESOURCE HINTERLAND -
1962 to 1972.

"The mining and smelting industry, of all activities found in the province, is the least uniqueThe fact is that the B.C. mining industry is merely a part of the world mining industry, and is in competition with the other mining regions of the world" (Deutsch, 1959) (1).

The activities of companies and multinational corporations in resource extraction in British Columbia, received a marked boost from investments by Japanese and United States corporations in the 1960's. These investments resulted in a number of new mining starts, especially coal and copper, and a number of new pulp mills, nearly all of which required the construction of instant towns. The building of these new towns, and the forging of new relationships and investments, became the foundation of a boom period in resource extraction in the province.

In British Columbia the determination and extent of development was forged by the provincial government and the large resource corporations. The linkages between these forces can be identified and illustrated in the networks of ownership and investment by the corporations which made direct and portfolio investments in mining and in wood product industries between 1962 and 1972. The companies endeavoured to assert control through direct investment which, according to Watkins, was a common feature throughout Canadian resource industries in the sixties. Direct investment, as opposed to portfolio, became

concentrated in resource industries which, again as noted by Watkins, are particularly susceptible to that form of extra-territorial control. As Kindleberger has stated however, corporations argue that direct ownership is necessary to provide industrial depth and breadth, embracing the supply of raw materials in the hinterland to manufacturing and sales (2).

The degree of control asserted by an investing corporation is directly proportional to the type and quantity of investment made, the managerial and bureaucratic linkages it forms, the type of trade or supply contracts it becomes involved in, and the interlocking character of corporate and financial directorships. All these forms of control will be discussed here, especially as they pertain to the corporations in British Columbia which constructed new instant towns.

As mentioned previously, there are two basic forms in which capital is injected into enterprise. In international business, direct investments are those made for the purpose of effective control over some foreign operation. The Dominion Bureau of Statistics describes direct investment in the following way:

"Direct investments are those investments in business enterprises which are sufficiently concentrated to constitute control of the concerns. The nature of the classification is such that potential control is implied rather than an actual exercise of control over business policy, although the latter may be present as is usually the case. Direct investments are usually in the form of equity ownership. The investors supply the capital assuming the largest burden of risk, technical knowledge and skills" (3).

In contrast, portfolio investment is oriented toward a degree of risk consistent with a return on funds invested. The D.B.S. defines portfolio investment as, '...typically scattered holdings of securities which do not carry with them control of the enterprises in which the investments occur' (4).

Direct investment is related to and associated with ownership and control. Portfolio investment is usually concerned with return on investment. Where ownership or control is not desired, and when the debt is paid, the portfolio investment is terminated.

FOREIGN OWNERSHIP AND DIRECT INVESTMENT.

According to Naylor, the Canadian resource economy has been host to outside direct investment from the early nineteenth century. United States and United Kingdom investment in the lumber trade, for instance, occurred before 1840, and American capital and technical assistance were utilized in the establishment of a cotton mill in Sherbrook, Quebec, in 1844 (5). Early investment in Canada was, in the main, connected with logging. However, information on foreign capital invested in Canada since the year 1867, suggests that direct investment sought, and found, a much wider base than logging and lumber alone (6).

Prior to 1939 a relatively even balance was maintained between U.S. and U.K. investments; but after World War II, U.S. portfolio exceeded that from the U.K., within margins

ranging from 2:1 in 1913 to 6:1 in 1965. Moreover this dominance of U.S. direct investment has been channelled into specialized areas of the Canadian economy, particularly the mining and smelting, petroleum and manufacturing sectors. In 1966, for instance, the Canadian mining and smelting sector was host to 47% of all U.S. mining and smelting direct investment abroad. The petroleum industry received 22% of this direct investment, manufacturing 35% and public utilities 30% (7).

The nature, source, direction and value of foreign direct investment in Canadian resource industries has led to what has been called the branch-plant syndrome in which enterprises in the Canadian arena are subject to the controls and directions of foreign based companies. While the degree of foreign control in such circumstances varies from corporation to corporation, the distinction between local and foreign control is generally balanced against what proponents of direct investment argue are the advantages of capital growth and innovation. Such advantages were outlined by Kierans in 1966 as "increased employment, wages salaries, taxes, and continued reinvestment of earnings" (8). On the negative side, foreign control is seen as a threat to political independence and economic sovereignty. The details of these effects were outlined by the TASK FORCE ON FOREIGN OWNERSHIP AND THE STRUCTURE OF CANADIAN INDUSTRY report to the President of the Canadian Privy Council in October 1968 (Commonly referred to as the Watkins Report) (9). Although the details of foreign ownership, as laid out in the Task Force

report need not concern us here, the cornerstones of foreign investment are integral to an understanding of the linkages within a metropolis-hinterland model and the resource towns of British Columbia.

According to Watkins, the development of primary products and staples for export has been the major factor in Canada's economic development in the past. Resource discoveries and resource exploitation have attracted capital, labour and technology from foreign sources and together these have promoted the growth of population, wealth and income (10). Needless to say, the apparent abundance of resources has attracted foreign ownership in the form of direct investment and until 1968 direct investment in mining and petroleum exceeded that in all other sectors of the Canadian economy.

Between 1960 and 1970, foreign direct investment in all of Canada came from four major sources: United States, United Kingdom, Europe and 'other countries'. In 1960, U.S. direct investments in Canada totalled \$461 million and by 1970 had increased to \$573 million; whereas investment from the U.K. declined from \$117 million to only \$1 million over that same period. Investment from Europe, including OECD, doubled from \$86 million to \$170 million and the category for all other countries increased from \$1 million to \$26 million (11). Within this latter group Japan showed the greatest increase in investment in Canada, moving up from 14th to 8th place among investors in Canada's hinterland resources. The bulk of this

Japanese investment went into the British Columbia lumber and wood pulp industries, and into the coal and copper mines of British Columbia and Alberta (12).

The U.S.A. was dominant in direct investment and in net capital movements into Canadian resource industries between 1960 and 1970 when British Columbia's instant towns were being constructed. Although only a proportion of the total net capital movement was aimed at B.C.'s resource industries the overall picture for Canada shows increasing dominance, increasing size of operation and increasing control of resource industries from foreign areas.

Table V: DIRECT INVESTMENT: GROSS INFLOWS OF U.S. INVESTMENT IN CANADA BY INDUSTRIAL GROUP, 1958 - 1967, (\$ m) (13).

	1958	'59	'60	'61	'62	'63	'64	'65	'66	'67
Pat. & Nat.										
Gas...	209	203	180	156	156	144	129	188	183	182
Mining..81	141	209	157	165	107	134	92	195	245	
Pulp & Paper...	19	18	26	13	13	7	37	53	71	108
Other Mfg...	95	158	138	149	178	164	247	339	372	262

The pattern of investment of foreign capital in Canadian resource industries supports the notion in the staples theory, as put forward by Innis, in which Canada is seen as a repository of foreign investments and as a source of resources for metropolitan economies. However the full significance of these direct investment figures can only be ascertained by comparing the effect of U.S. capital invested in Canada with

other countries where U.S. corporations were actively investing in the 1950's and 1960's. Levit for instance argues that U.S. direct investment in Canada of the volume suggested here, has brought about a pattern of renewed dependence on U.S. sources of capital and on U.S. corporations (14). Poulantzas argues that U.S. financial hegemony in the 1950's and 1960's meant that the Canadian economy although penetrated and to a large degree controlled by U.S. financial interests, became secondary to U.S. penetration of Europe and the E.E.C. (15). Indeed, as Poulantzas points out, one of the main features of the penetration by U.S. capital in the 1960's was its increasing hegemony and internationalization in a wider number of countries including Canada, Europe, and nations in the Third World.

The data on investment in Table 5 thus have a direct bearing on the illustration of a metropolis-hinterland model in the growth of new resource towns in British Columbia between 1962 and 1972, especially where instant towns resulted from international investments in resource exploitation activities.

The position in B.C. with regard to investments and corporate activities in the resource industries can be ascertained in several ways. Of the instant towns built for resource extraction industries in that period there were three pulp wood and wood product towns and six mining or mineral processing towns. Investments of capital for the industrial plants were from indigenous sources, blends of U.K., U.S.A. and Japanese trading corporations, banks and resource companies, the

majority being from and U.S. and Japan. In order to illustrate the growth of this pattern of United States dominance and growing Japanese involvement it is necessary briefly to examine the growth and changes in export of raw resources and to note the changing patterns of investment which accompanied the utilization of resources in the hinterland.

CHANGING PATTERNS OF PRODUCTION IN RESOURCE INDUSTRIES IN BRITISH COLUMBIA.

In the five years prior to the establishment of the new towns, the exports through B.C. customs ports indicated the beginning of the boom which was to follow in the 1960's. In that preliminary period the United States was the destination for the great bulk of British Columbia's resource staples. The total value of these exports grew by 140%, while those to Japan rose by 190%. Next came the United Kingdom, whose intake was only 30% of that of the U.S. and whose gross value fell by 100% between 1958 and 1962. Australia's gross intake from British Columbia was only 4% of that of the United States, but its total rose by nearly 150%. Table 6 shows further details of these exports.

Table VI: EXPORTS TO U.S.A., JAPAN, U.K. & AUSTRALIA-\$M (16).

	1958	1959	1960	1961	1962
U.S.A.	329.6	356.3	395.5	426.0	554.6
Japan	94.2	119.2	138.0	173.9	176.9
U.K.	166.6	171.1	178.2	140.6	150.1
Australia	17.8	14.5	23.0	18.8	27.0.

Growth in British Columbia staples exports was also

focused on specific sectors of the economy. The U.S., for instance, increased wood pulp imports by 13%, and natural gas imports by 50% between 1958 and 1962. Japan became increasingly interested in mineral ores and concentrates, especially coal and copper. Japan also increased its importing of raw logs from British Columbia by eightfold. The United Kingdom increased its lumber imports by 30%, its aluminium by 25%, and plywood by 400%. Australia continued to import small quantities of lumber, aluminium, wood pulp, newsprint and asbestos fibres from British Columbia. Thus at the beginning of the period in which new towns were being considered, the patterns of export showed quite clearly that the major interested parties were those which subsequently became involved in instant town building, namely multinational companies based in the United States and Japan.

Between 1962 and 1972 several major trends in staples production became evident: the United Kingdom market declined, Japanese imports of ores and concentrates increased, and Western Europe, India and Australia increased their imports of ores, particularly asbestos fibres. Japanese imports of copper concentrates grew by 518.83% from just over 800,000 cwt to nearly 4.4 million cwt. Iron ore concentrates, however, fell by 68.6% from 1.73 million cwt. to 1.8 million cwt. Coal showed a very high increase from 640,000 tons to 8.3 million tons (17).

THE CHANGING PATTERN OF JAPANESE INVESTMENTS.

Between 1962 and 1972 most contracts between Japanese investors and B.C. corporations were for supplies of copper, coal and wood products. Although the instant towns which were developed to extract these resources were not a result of direct foreign investment by Japanese firms, their raison d'etre was affirmed by Japanese demands. The form of control exerted by Japanese firms, long term supply contracts rather than direct investment, resulted in a degree of dependence on Japanese investors.

Accurate and aggregate records of the capital invested by Japan in Western Canadian resource industries are not published, but assessments from several sources indicate that the majority of Japanese capital was in the form of loans and joint venture arrangements, and not in the form of equity control. Estimates of the total amounts invested vary. One source states that "...about \$110,000,000 had been invested by the Japanese in Canada up to the spring of 1969. Of this amount about 25% came through purchases of equity and the rest of the funds entered Canada through loans of various kinds" (18). A second source estimated that "...in 1972, Japanese investment in Canada was approximately \$200 million, only \$40 million of which was in the form of equity investment" (18). A third source, based on Dominion Bureau of Statistics data published in 1965, emphasised the small degree to which Japanese investment had penetrated the Canadian host, compared to other sources of finance. D.B.S

statistics for 1965 show that direct foreign investment in Canada totalled \$17.6 billion. Of this amount \$14 billion originated in the U.S.A. and \$2 billion came from the U.K. The Netherlands supplied \$335 million, Benelux countries \$22 million, and Switzerland \$189 million. By comparison the estimate of a total of \$200 million invested by Japan up to 1972 with only \$40 million of this total as DFI was comparatively minor (20).

Even though the total amount of investment from Japanese sources both as a net capital flow and as equity was small by comparison with the U.S.A., the impact on the hinterland areas of western Canada, and in particular on B.C., was notable by virtue of its concentration in specific sites and industries. Of the Japanese-Canadian companies registered in Vancouver, and active in British Columbia mining between 1962 and 1972, 75% were copper mine ventures or copper processing plants. The ownership pattern within the ten year period also followed a singularly narrow path, with much of the capital being restricted to loans and purchasing contract proviso's, with only few equity control situations apparent. Of ten companies for which data were available seven relied on purchasing or sales contracts to maintain a supply from the B.C. hinterlands, and three were involved in joint ventures either through Japanese bank loans or purchase of common shares. Tables VII and VIII show the extent to which Canadian-Japanese joint ventures proliferated in the 1960's and the early 1970's.

Table VII: JAPANESE INTERESTS IN B.C. COPPER MINING (21).

Canadian Company (B.C.)	Japanese Company	Value of investment \$'000	Loan or % of shares	Year of contract
Bethlehem Copper	Sumitomo	5,500	n.a.	1961
Granby, Granisle (*)	Ataka-Sumitomo	140	Loan	1964
Minoca	Mitsubishi	183	51%	1964
Sumitomo	Sumitomo	n.a.	100%	1966
Granby, Granisle (*)	Sumitomo-Mitsubishi	7,500	9% +loan	1967
Highmount	Nippon	600	25.7%	1967
Dease Lake	Mitsui	5.0m.	44.0%	1967
Brenda Mines	Nippon-Mitsui	7,500	Loan	1969
Lornex (*)	Mitsubishi & 6 associates	28,600	Loan	1969
Alwin	Nippon	690	Loan	1970

(*) - Instant Town.
n.a. = not available.

Canada, and in particular, B.C., was a preferred source of copper supply for Japan between 1962 and 1972. Japanese interests in the Philippines, Uganda, Bougainville, Indonesia and Australia were, however, considered as alternative and growing sources of copper. But even though some of these alternative sources were long-standing they suffered from varying degrees of 'political instability' which led Japanese capital to favour the hinterlands of British Columbia (22).

Investments in coal, molybdenum, zinc and nickel were of a similar nature but less in extent and value. In particular,

coal became the focus of Japanese purchases in the later part of the period between 1962 and 1972 with interest centered on the Kaiser Resources deposits in Sparwood and the Fording Coal deposits at Elkford in the south eastern region of the province. The substantial proven resources and the convivial financial arrangements between Kaiser, a California based corporation, and Japanese purchasers, promoted the first direct foreign investment by Japanese steel makers in an overseas coking coal mine when a consortium of ten Japanese corporations, under the umbrella of the Mitsubishi Trading Corporation and including seven steel-makers, agreed in 1966 to invest \$27.5 million, to acquire 27.33% of equity in Kaiser Resources coal industry near Sparwood in the Crow's Nest Pass. Japanese requirements for blast furnace coking coal were largely responsible for the re-generation of British Columbia's and Western Canada's coking coal industry. As a result production in the whole of Western Canada rose in value from \$14 million in 1969 to \$103 million in 1972, making coal rank as Canada's second most important mineral commodity group, exceeded only by copper (23).

Although the most rapid growth of Japanese investment and the penetration of B.C.'s resource hinterland occurred in the mining sector between 1962 and 1972, negotiations in the lumber industry produced similar, if less dramatic and sudden results. Expansion in lumber, logs, and pulp and paper led to the creation of only two new towns, compared to the six that were built on the sites of coal and copper deposits. The pattern of

establishing joint ventures within the lumber industry was similar to that described for minerals. Table 8 shows to a limited degree, the extent of this dual venture development. Only limited investment from Japanese sources occurred in B.C. lumber industries in the 1962-1972 period, as it appeared certain that supplies would be constant and the infrastructure for exploiting the existing timber resources was already well established and available.

Table VIII, JAPANESE INTERESTS IN LUMBER AND PULPWOOD INDUSTRIES INCLUDING JOINT VENTURES IN BRITISH COLUMBIA, 1958 to 1973 (24).

Japanese Company	Canadian Company	Type of Enterprise	Date of Initial Permit
Okura Shoji	Okura & Co. Can.	Trading Co. incl. lumber	June '58
Yuasa Kinmotsu	Yuasa Hardware	Trading Co. incl. lumber	July '59
Honshu Seishi Mitsubishi Shoji	Canadian Rocky Pulp & Paper	Paper & lumber	Dec. '65
Honshu Seishi Mitsubishi Shoji	Crestbrook Forest Industries	Paper & lumber	Jan. '67
Sumitomo Kingyo Jujo Seishi	Findlay Forest Industries	Pulp & paper	Mar. '69
Ito Tadashi Shoji	CIPA Lumber Co.	Lumber	July '69
Ito Cho Shoji	I.C. Timber	Forest prod.	May '72
Marubeni-Iida Co.	Interior Forest Resources	Pulp & paper	nd
Daishowa Paper Mfg.	Ashcroft Pulp & Paper	Pulp & paper	
Daishowa Seisha	Cariboo Pulp & Paper, B.C.	Pulp & paper	nd
Marubeni Mitsubishi (60% ownership)	Mayo Lumber, B.C.	Lumber	1972

(nd=no data; nb-ownership data, including shares and investments in B.C., were not available for Japanese interests in lumber).

CORPORATE INTERLOCKS AND METROPOLITAN CONTROLS IN THE RESOURCE HINTERLAND.

Within the broad framework of aggregate investments in the hinterland resource enterprises in British Columbia, the activities of individual firms show the extent to which resource development and the instant towns were dependent upon decisions in the metropolis. The above discussion on exports and investments shows the general directions of the process inherent in the metropolis-hinterland relationship in which one is the supplier of resources and the other is the recipient. The agencies of this process were the indigenous Canadian companies operating in British Columbia, largely in wood product industries, and the foreign dominated multinational corporations whose interests lay in obtaining a supply of raw materials and securing places for investment. As a result, [each new resource town in British Columbia was created by external demands and then drawn into a metropolitan economy in which the characteristics and destiny of each was shaped by its dependence on international pricing structures and on a continuous demand for the items each produced. These structural linkages between corporations and countries suggest very strongly that the emanation of power and decision making from metropolis to hinterland was a process which fixed each new resource town into a niche in a wider economy.] The understanding of these links in terms of a metropolis-hinterland model serves to give each community a wider significance exemplifying an overall process within the capitalist system, as Usher has pointed out (25).

The linkages between corporations, including interlocking directorships and intermeshed financial arrangements, is one explicit illustration of the manner in which large metropolitan corporations and a class of managers and owners retains control over resource hinterland areas such as British Columbia. An example of this type of control is the Lornex Mining Company operation, based on a copper-molybdenum open pit mine in the Highland Valley in central British Columbia, adjacent to the instant town of Logan Lake. This operation illustrates the international flavour of financing and control of such developments. The principals were several Japanese trading companies, and banks and smelting companies, combined with Rio Algom Mines and the Yukon Consolidated Gold Corporation based in Toronto (26).

The Lornex Company was incorporated under the B.C. COMPANIES ACT on July 6, 1964 to develop a copper-molybdenum deposit in the central interior of the province. The company was converted to a public company on March 19, 1965. Production financing was provided by Rio Algom Mines, Yukon Consolidated Gold Corporation Mines Ltd., a consortium of three Canadian chartered banks and nine Japanese smelting and trading companies (27).

The connections between Rio Algom Mines and the Lornex Mining Corporation clearly demonstrates the pattern of direction, control and ownership in that sector of the mining industry in British Columbia. Rio Algom Mines in 1972 held

55.18% of the common shares of the Lornex Company, whilst Yukon Consolidated Gold Corporation held 20.09%. Under a long term agreement with the Japanese companies, the Rio Algom group was required to hold no less than 50% of the issued common shares. In turn, the Lornex Mining Corporation was clearly a subsidiary of Rio Algom in Toronto, having the bulk of its voting shares, management rights and operating capital supplied by that company. Both companies were operated by a common group of officers and directors in Toronto and Vancouver, including the company president, secretary, treasurer, vice-presidents of exploration and marketing, and several directors.

Control (51%) of Rio Algom was held by the Rio Tinto-Zinc Corporation of London England, through its wholly owned subsidiary, Tinto Holdings in Canada. Through a further 81% interest in Preston Mines Ltd., Tinto Holdings obtained another 44% interest in Rio Algom (29). Both Rio Tinto and Rio Algom illustrated one of the control and direction mechanisms of the metropolis-hinterland process in B.C. through first of all, the interest in Lornex mines, which in turn connected with Toronto holdings and a wide network of mining and exploration companies across Canada (29). Tinto and Algom worked uranium, steel plants and copper mines. Both corporations also operated similar enterprises in Utah, Rhodesia and Southwest Africa during the period 1962 to 1972.

Connections with the Japanese principals was maintained through share purchases and a long term sales contract. Under

the sales contract, signed in 1969, the entire copper concentrate output of the Lornex mine was committed to the six Japanese smelting companies and the group of three banks for a twelve year period. In 1972 a five year contract was concluded with a New York corporation for sale of the entire output of molybdenum concentrates.

The intercorporate linkages between Lornex Mines near the instant town of Logan Lake, and the parent organizations, Rio Algom and Rio Tinto, indicated some of these characteristics of the institutional interlocks in the resource economy of British Columbia. Interlocks of a similar nature also occurred within corporations which were based in the province. MacMillan Bloedel, for instance, originally a British Columbia company, developed international linkages and became a multinational corporation in the 1960's. Changes like those demonstrated by MacMillan Bloedel were accompanied by government policies which encouraged and facilitated the process. The policies associated with Tree Farm Licences, for instance, enabled firms to integrate and consolidate their activities and in so doing they became further interlocked and integrated into an international political economy. Consolidation of firms such as Crown Zellerbach, Rayonier, MacMillan Bloedel, Noranda and Rio Tinto all occurred during the period of Social Credit administration in the 1960's.

The implications of these linkages cannot be revealed by simply categorizing them under the headings of metropolitan

forces or hinterland forces. A more appropriate framework is one which reveals the links between the sectors and classes as well as identifying one as being dominant over the other. To understand the implications of a metropolis-hinterland framework, Neil has suggested that "...the products of one industry are used as inputs by other industries, whose products in turn are used by still others; now the earnings of one class are spent supporting production in some sector of industry" (30). It is also necessary to discover why technical and institutional interlocks occurred in British Columbia between 1962 and 1972 in order to understand fully the relationships implicit in the metropolis-hinterland model.

In the following section the interlocking control held by four forestry firms and six mining companies will be illustrated. The purpose in outlining the details of these interlocks is to illustrate the patterns of dependence in the political economy of British Columbia, and the mechanisms of dependency and dominance of the instant towns by a group of bankers, financiers and industry managers, not at the local level, but in the national and international centres of financial power.

OWNERSHIP INTERLOCKS IN THE BRITISH COLUMBIA MINING INDUSTRY BETWEEN 1962 and 1972.

Between 1962 and 1972 the mining industry in Canada was dominated by a group of giant corporations, most of which had already reached the stage of multinational activity prior to

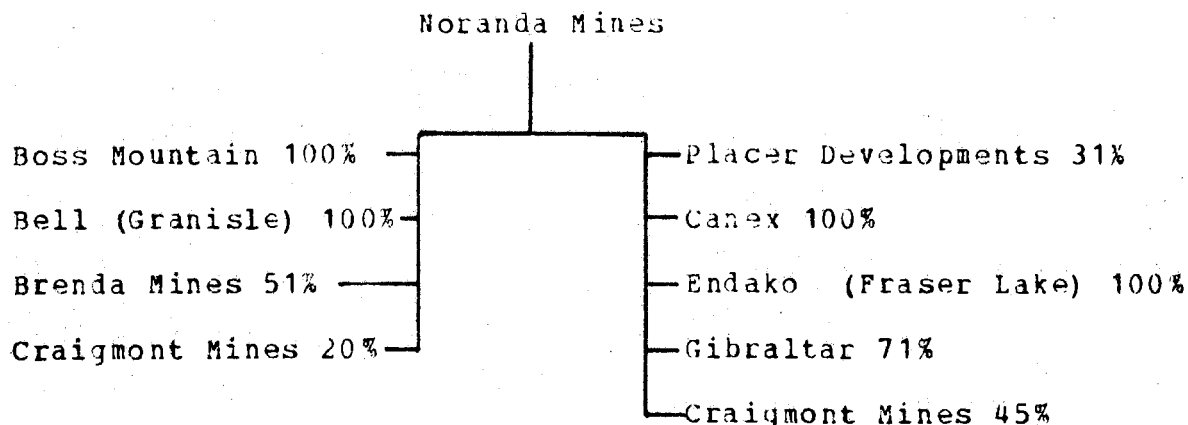
1962. Table IX shows the four largest firms and their various assets and ownership patterns as of 1971. Of these four largest firms, two, Cominco and Noranda, became involved with the construction of instant towns in British Columbia in the 1960's.

Table IX: ASSETS AND INCOMES OF FOUR MAJOR CANADIAN METAL MINING INDUSTRIES 1971 (31).

Year registered	Company	Total Rank	Assets Value	Net Income
1916	Inco	1	2,095	94.2
1922	Noranda	2	1,023	61.5
1966	Cominco	3	554	13.5
1928	Falconbridge	4	449	17.5
Totals in \$millions			8,065	186.7

In British Columbia Noranda Mines, through interests and ownership of subsidiaries, became directly involved with the instant mining towns of Fraser Lake (Endako Mines) and Granisle (Bell Copper). The interlocking nature of the metropolis-hinterland relationship can be seen in Figure 1 which illustrates the percentage of shares owned and the holdings of subsidiaries associated with Endako Mines and Bell-Copper.

Figure 1: SUBSIDIARIES OF NORANDA MINES LTD. (32)



Directly, and through subsidiaries and associated companies, Noranda Mines conducted an integrated mining, smelting, refining, marketing and exploration business related to the natural resource industry of British Columbia.

In 1972 Noranda prepared the Bell Copper mine for production at Fraser Lake at an estimated cost of \$44.5 million. Copper concentrates prepared at Fraser Lake were sent to the Noranda smelter in Quebec. This practice, involving wholly owned subsidiaries supplying centralized smelters, was also commonly employed by other large and integrated resource extraction companies. By such techniques, the companies were able to lessen their dependence on a single source of supply. But at the same time they increased the dependence of hinterland resource towns on the one single company.

Further interlocks between Noranda and Placer Developments illustrated a second aspect of controls exerted over hinterland settlements. Placer Developments, the parent company of Endako, demonstrated the multinational character of its operations during the 1960's by its exploration programmes in the United States, its hydraulic gold mining on the Bulol and the Watut rivers in New Guinea, and its mining and exploration in Australia. Clearly such settlements as Fraser Lake in the hinterland of British Columbia were a lower echelon linkage in the vast multinational corporation. The nature of these international operations placed resource settlements such as Fraser Lake in precarious situations with regard to the length

of tenure of the local operation. Given the multinational operations of the parent company, the possibility of the company closing down operations in one country and moving to another because of changing prices or unsettled political circumstances, remained as a threat to small and remote towns. The activities of other companies in British Columbia, eastern Canada, in Greenland and in Ireland which have moved or closed down operations in the past, illustrates this particular phenomenon.

However, the activities of both Noranda and Placer Developments in taking even smaller companies and in making their operations international, raises the very important question of the amount or degree of control which they can exercise over their subsidiaries. Clearly control can be exercised over policy and over financial investments but the degree to which this occurs is dependent on the proportion of shares of one company owned by another and on the number of directorships which are interlocked. A company which is owned by a major corporation, with extensive interlocking of boards of directors is more subordinate and more subject to manipulation and control than subsidiaries with lower levels of interlocking and share ownership. Various estimates have been made of the proportion of shares which is must be owned before control of a secondary company exists. The United States federal taxation service recognises a figure of 20% to 25% of shares owned, while the Dominion Bureau of Statistics in Canada recognises 29% to 35% of share ownership as a controlling

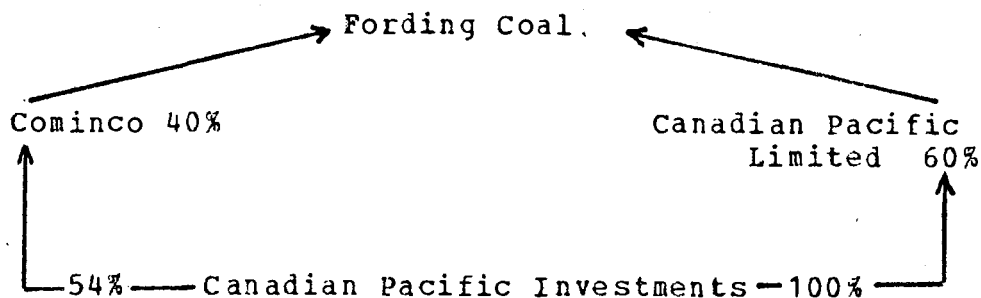
interest. In the case of Noranda and Placer, Noranda held 31% interest in Placer in 1974, and since this was the largest single block held in Placer it can be assumed that a degree of control could be exercised. The two companies held only one director in common, which suggests that Placer's industrial policy was probably not controlled by Noranda. However, Noranda acted as sales agent for Placer, which clearly indicates influence in marketing and sales of products. Obviously the potential for control existed, given the ownership of shares evident here, and this factor placed the viability of the town of Fraser Lake clearly under the control of the multinational companies.

COMINCO - AN INTERLOCKED CORPORATION: ELKFORD AND FORDING
COAL LTD.

The expansion of Cominco and firms like it into the multinational field of operations was based upon a long experience of take-overs, expansions, amalgamations and explorations. The growth of Cominco in western Canada, and especially in the Kootenay district of British Columbia where the Fording Coal Company and the instant town of Elkford are situated, was predicated upon a long experience of resource extraction industries in that region. The town of Elkford, incorporated in 1972, was created to accommodate the workforce of the Fording Coal Company. The Fording Company in 1972 was owned 40% by Cominco, which also managed the operation, and 60% by Canadian Pacific Limited, a Toronto based holding company.

The Fording Coal Company, through its interlocks with parent companies and several Canadian banks, illustrates a further principle of control and dominance of a resource hinterland by means of banking and financial interlocks. Figure 2 indicates this pattern of control through share ownerships and interlocks with several major Canadian investment and holding companies.

Figure 2: SHARE OWNERSHIPS - FORDING COAL (ELKFORD, B.C.).

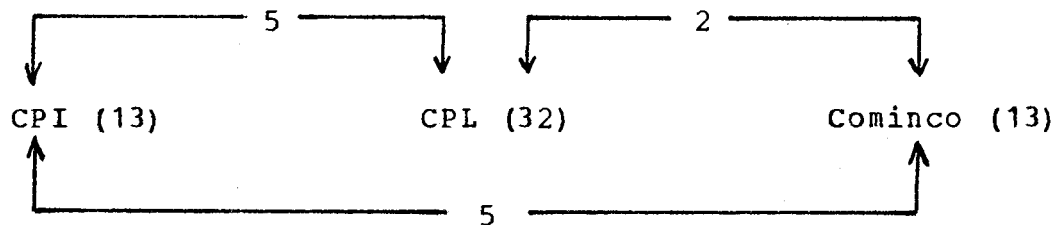


(-x- = % shares owned).

The western Canadian firm of Cominco was incorporated into CPI Holdings in 1963. Late in 1963, CPI purchased CP Ltd. and a majority interest in Cominco. These share controls were also reinforced by interlocking directorships and common company officers. Fording Coal, for instance, is organized and operated directly by Cominco officers located in Cominco's plant at Trail, B.C. The further interlocks between CPI, CPL and Cominco demonstrate the structure whereby such multinational corporations dominate both vertical and horizontal sectors of British Columbia's resource economy. Figure 3 shows the

interlocks and the number of directorships held in common by these firms. Numbers in parentheses are the total numbers of directors on each board.

Figure 3: CORPORATE INTERLOCKS - COMINCO.



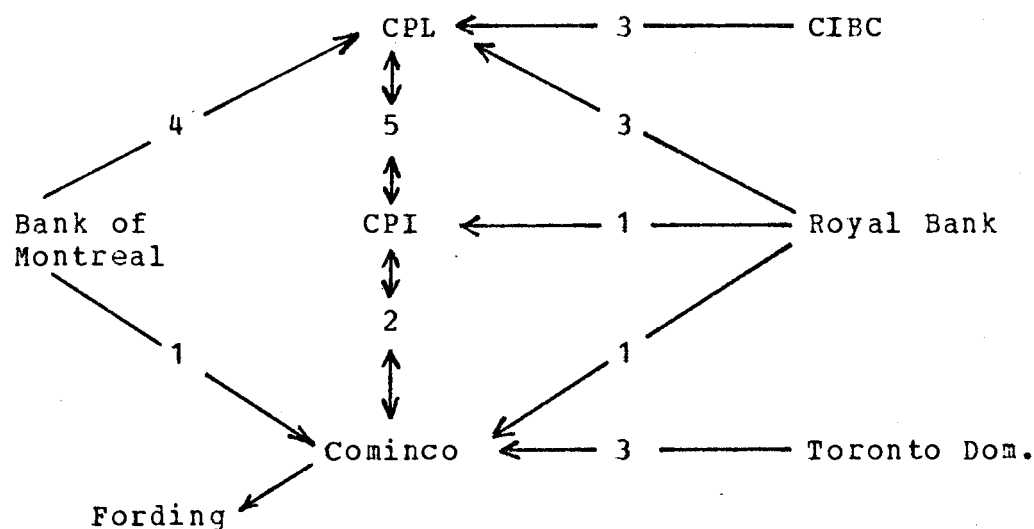
(-x- = shared directorships).

While the corporate linkages with the instant towns may appear at first glance to be tenuous, the interlocking nature of the corporate and financial structure is such that shares owned by interconnected companies, interlocked directorships, and capital controlled by financial houses in Toronto or New York have a direct bearing on the existence, growth and longevity of resource based communities. In the late 1960's, one of the interlocked British Columbia companies, (Cominco) expanded its operations outside British Columbia. In so doing, and in order to obtain capital, it became connected with eastern Canadian financing and holding corporations. In 1973 Cominco had 31,707 common shareholders, of which 94% were residents of Canada who held 97% of the outstanding stock (33). The majority of the company transfer agents and registrars were Canadian based - Canada Permanent Trust Company, The Royal Trust Company, Bank of Montreal Trust Company, and the Crown Trust Company in

Canada, and the New York Trust Company, and the Chemical Bank of New York.

Figure 4 shows the numbers of directors of the resource companies held in common with four major Canadian banks. The numbers of directors is small but their presence even in such numbers is significant because of the linkage they provide between the operations of small industrial units such as Fording Coal at the local level, and the major corporate and financial institutions in the upper echelons of the corporate hierarchy.

Figure 4: INTERLOCKS, BANKING AND B.C. RESOURCE COMPANIES.



(-x- = shared directorships).

PENETRATION BY FOREIGN CORPORATIONS.

The international level of corporate operations in British Columbia's resource hinterland was exemplified by the penetration of the province's coal mining industry in 1968 by

the Kaiser Steel Corporation of California. The Kaiser Corporation created a local subsidiary named Kaiser Resources Ltd. and brought about the establishment of the instant town of Sparwood in the East Kootenay region of British Columbia. Despite one-time Attorney General of British Columbia, Robert Bonner's 1971 statement that, "...Canadian corporations have been somewhat slow in proceeding to the next logical phase of their evolution, that is, to the multinational phase", there was little reluctance by foreign owned corporations to make such a move within British Columbia (34). This is not to suggest that there were no large corporations based in the province, as was evidenced by the growth of Cominco and MacMillan Bloedel. The British Columbia based companies were the exceptions, however, as is indicated by the number of multinational corporations with headquarters outside the province. Of the 100 largest Canadian corporations listed by the FINANCIAL POST in 1972, only seven were based in British Columbia. Similarly there were few company directors based in the province, the majority being centred in the financial metropolises of eastern Canada or the United States (35). (See for instance, Table XII 'Location of Controlling Interest Groups of British Columbia Resource Industries...')

On February 29, 1968, the Kaiser Corporation purchased the entire coal and coking operations, as well as the coal reserves under 108,000 acres of property belonging to Crows Nest Industries Ltd. in the southeastern Kootenay region of British

Columbia (36). In exchange for these rights, CNI accepted 351,351 common shares of Kaiser Steel which it later sold for \$9,673,700, resulting in a loss of over \$2.5 million. The purchase of CNI by Kaiser Steel served to effectively terminate the activities of the British Columbia company, at least within the coal mining sector of its operations. Kaiser Resources then proceeded to expand its operations, using capital and technology imported from the parent organization in California. This pattern of expansion is suggestive of the modus operandi of large corporations in other areas of British Columbia (and elsewhere) where small local operations are absorbed by larger multinational corporations (37).

Unlike the creation of the Fording Coal Company by Cominco, the Kaiser company absorbed an existing entity and incorporated it into its international organization. Thus not only did Kaiser control the local hinterland resource site and the settlement of Sparwood, but the transportation system and the sales and marketing organization as well. In addition, it constructed a bulk handling coal terminal at Roberts Bank on the southwest coast of British Columbia, specifically to facilitate the export of coal from the hinterland to the metropolis.

Transportation and trading linkages between the metropolis and the hinterland were complemented by further financial and corporate interlocks. Kaiser Resources Ltd., the subsidiary of Kaiser Steel, was 79% foreign owned in 1974, mostly in the United States. There were a total of fourteen directors in

Kaiser Resources, of whom three were classified as British Columbia residents, another three as Canadian residents, and the rest in California. Clearly in 1974 the company was owned and directed by resource and financial parent organizations in the United States. Table 10 shows the city or region of domicile of each Kaiser Resources' director for 1972 and 1974. Although a change in policy in 1974 to regionalize directors in British Columbia was instituted, the implications of share ownership and financial control were such that the parent companies and foreign institutions still exerted a degree of control over the British Columbia subsidiary.

Table X: LOCATION OF KAISER RESOURCES DIRECTORS -1972 and 1974.

Region	1972	1974
California	9	4
Vancouver	3	6
Montreal	2	1
Calgary	1	1
Toronto	1	1
Tokyo	-	1
Total	16	14

In addition to maintaining interlocking directorships, the Kaiser Resource Corporation invested heavily from its parent company in capital equipment and operating capital. Net investments between 1969 and 1973 by Kaiser in the Sparwood Coal operations were as follows: 1969 - \$63.8 million; 1970 - \$18.8 million; 1971 - \$21.9 million; 1972 - \$6.2 million; and 1973 - \$9.2 million (38).

In 1968 Kaiser Resources Ltd. entered into contracts with the Mitsubishi Corporation of Japan for the sale of 75 million

long tons of coking coal at the rate of 5 million tons annually. Between 1968 and 1972 Mitsubishi advanced a total of \$35 million to the Kaiser Resource Corporation, repayable at the rate of \$1.00 per ton of coal delivered to its steel manufacturing customers in Japan (39). Thus the exertion of foreign metropolitan control was completed with a combination of finance capital control, and a series of loans and long term supply contracts with Japan, together with a debt obligation to Japanese customers.

THE OWNERSHIP AND CORPORATE STRUCTURE OF SELECTED WOOD
PRODUCT INDUSTRIES IN BRITISH COLUMBIA - 1962 TO 1972.

Three major historical phases of corporate activity have been identified in the political economy of the British Columbia forest industry. Reid and Weaver in 1971, and McLeod in 1971, identified these three phases as: (1) the pre-1946 period in which activity was characterized by small milling units, sometimes mobile with intermittent operations at dispersed locations; (2) the period between 1946 and 1955 (circa) in which the recommendations of the first Royal Commission on forestry conducted by Justice Sloan cleared the way for the centralization of milling and processing operations in the province. The commission also facilitated indirectly the consolidation and integration of corporations through the disposal of Crown lands under the long term tenure arrangements of Tree Farm Licences, Public Sustained Yield Units, and pulpwood harvesting zones; and (3) the period from 1955 to 1972

(circa) in which the implementation and entrenchment of the previous trends and policies took place (40).

The trend toward longer tenure of timber rights was an attempt by the provincial government to increase the efficiency and size of corporate operations in British Columbia. Without the security of tenure and long term supply of raw materials, the forestry industries claimed they could not compete with other large and foreign corporations operating in Scandinavia and the Baltic countries (41). The smaller operators and the 'gypo-outfits' of the isolated resource frontier areas of the province were thus pushed out and absorbed by the vertically and horizontally integrated giants of the 1960's. According to Reid and Weaver, the movement into the province's resource hinterland, and the industrial integration into an international political economy which took place, occurred largely because:

"...integration demanded more centralised control and larger firm size. Needed capital for the process of vertical integration was... forthcoming only if investors were assured that the large firms were guaranteed long term timber supplies....The only solution to the large firms' predicament was more intensive utilization of the forest crop and less waste in...milling operations through closer integration of manufacturing processes" (42).

This policy was also expressed in the views of the provincial government of the day as stated by Williston, the Minister of Lands and Forests: "...consolidation where there are larger, more efficient mills is ...an imperative and essential development... (along with) security of supply for an

industry tuned to compete internationally" (43).

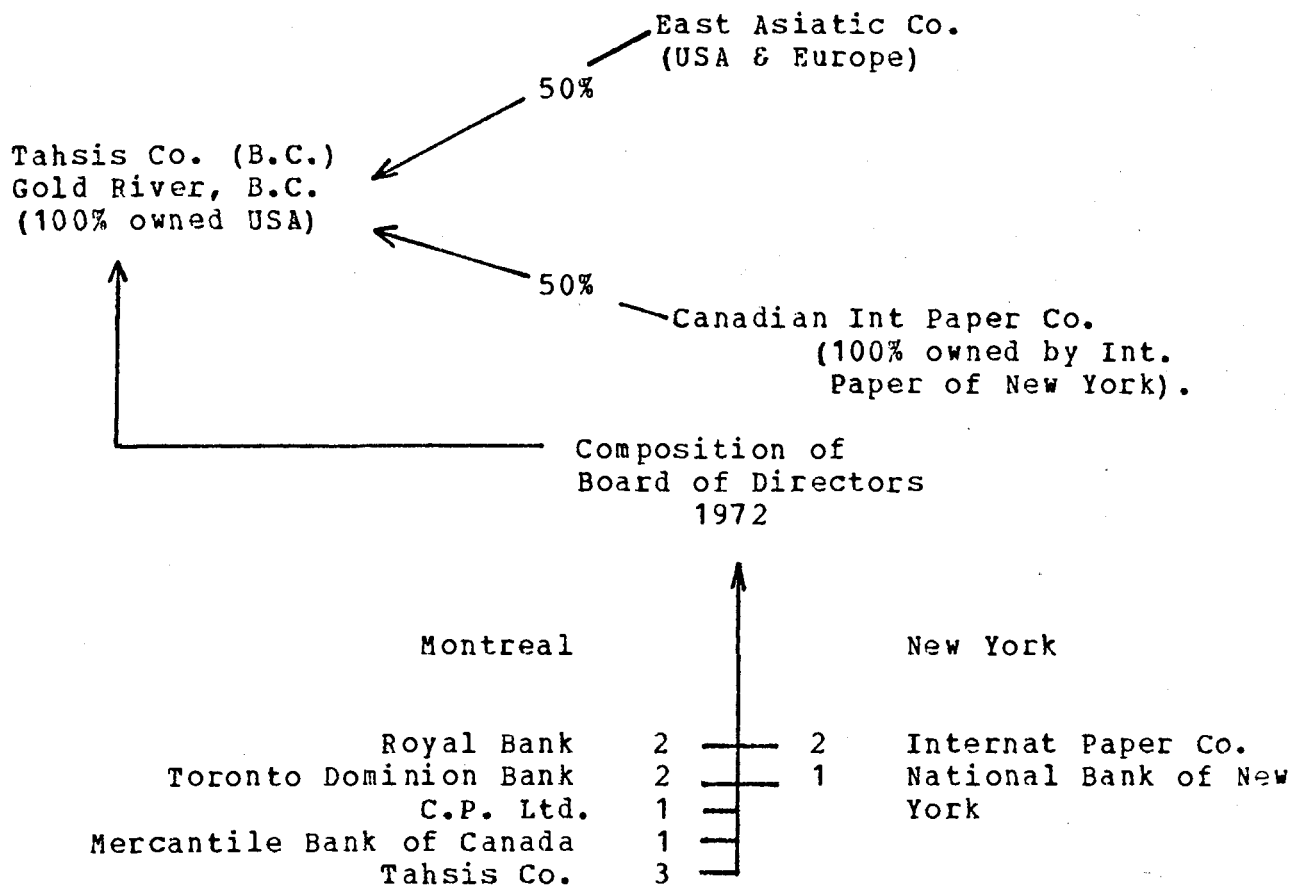
The changes in the third phase were evident in the activities of three major corporations in British Columbia, all of whom constructed instant towns to facilitate the expansion and integration of their hinterland operations. The Rayonier Company of British Columbia, a wholly owned subsidiary of the International Telephone and Telegraph Corporation (ITT) of USA, built the instant town of Port Alice on Vancouver Island following its purchase of the British Columbia based company of Alaska Pine and Cellulose Ltd. Similarly the Tahsis Company built the instant town of Gold River on the west coast of Vancouver Island in 1968; the Tahsis Company, a long time British Columbia family corporation, was purchased by two foreign companies under a Canadian subsidiary (East Asiatic Company of Denmark and the International Paper Company of Canada, which was in turn wholly owned by the International Paper Company of USA). Both the Rayonier Company and the Tahsis Company were the subject of foreign ownership and control bids which involved the expenditure of parent corporation capital to facilitate the growth of pulp mill plants to a competitive level in the world market. The direct control which was exerted by the foreign corporations during this phase ensured that the previously Canadian owned corporations were drawn into and firmly attached to new metropolitan corporations in the United States. The implications of the integration of the British Columbia resource economy in a foreign owned and controlled network were made

clear at the Royal Commission on Forestry in Vancouver 1975 at which evidence was taken from executives of the Tahsis Company (and the Rayonier Company) indicating that the foreign metropole controlled the activities of that particular hinterland in British Columbia. In the case of both British Columbia companies, the indigenous management and the family controlled executive structure were deposed and replaced by a locally based management which in turn was subordinate to the decision makers of the parent companies.

The institutional interlocks which came with the purchases by Rayonier Canada Ltd. and ITT of New York and the owners of the Tahsis Company, indicated that control by a different and more distant metropolis was a feature of phase three of the changes in the political economy of the British Columbia forest industry. The expansions of industry to what the Minister of Forests called a competitive level, both necessitated and attracted multinational corporations and foreign investment to the British Columbia resource frontier. In the case of the Tahsis Company, local control was replaced by a Montreal subsidiary of an American/Danish multinational corporation. The Montreal company was under the directorship of a banking and management group which in turn was subordinate to the New York parent corporation. This process typifies one of the methods of expansion of a metropolitan economy into a resource hinterland; the local economic elite is replaced by an intermediate management organization in a hierarchical linkage which resides

in the controlling company in some far distant metropolis. Figure 5 shows some of the linkages in this stepping stone hierarchy of ownership and control in the Tahsis Company.

Figure 5: FINANCIAL AND CORPORATE INTERLOCKS -
TAHSIS COMPANY, B.C. (44).



(-x- = shared directorships; -x%- = share ownership).

A different style of takeover and replacement of a local corporate group occurred in the town of Port Alice, where an instant town was built in 1965 to replace an older company town of the same name. Prior to 1951, Rayonier Canada Ltd. consisted of two British Columbia companies: B.C. Pulp and

Paper Co. Ltd. with logging operations and two pulp mills, and Alaska Pine Company Ltd. with logging operations and two sawmills. The two pulp mills had started early in the century: Woodfibre in 1912 and Port Alice in 1918. The two sawmills date back to the 1920's. Two of the sawmills were purchased by the Koerner brothers when they formed Alaska Pine Co. Ltd. in 1943. Between 1943 and 1968 both companies acquired substantial timber holdings, principally old temporary tenures, but also Crown granted lands (45). In 1951 Alaska Pine Co. Ltd. and Abitibi Power and Paper Company jointly acquired B.C. Pulp and Paper Co. to form Alaska Pine and Cellulose Ltd. as an integrated wood pulp and paper concern. In 1954 Rayonier Incorporated of New York acquired a controlling interest, and in 1957 the remaining shares of Alaska Pine and Cellulose Ltd., which became Rayonier Canada Ltd., were acquired. In 1968 ITT Corporation acquired all the shares of Rayonier, thus completing the multinational annexation of an indigenous British Columbia company. The decapitation of indigenous companies in this manner marked a particular phase in the changing pattern of metropolitan dominance in British Columbia's resource economy as a result of the changes introduced after the Royal Commissions in 1946 and in 1957.

However, the move towards concentration, amalgamation and takeover during the phase of expansion in British Columbia's forest industry during the 1960's was not marked entirely by foreign takeover bids. It is the nature of such expansion that

the externalization of ownership and control exposes the indigenous industrial base of the hinterland to a wider and extended chain of corporate ownership. This may occur outside national boundaries as in the cases of Rayonier and Tahsis, or it may occur inside national boundaries. The potential for externalization of control of the hinterland thus increased the potential for centralizing economic power within fewer and fewer corporations both within British Columbia and outside it.

Concentration of power and control and the move toward multinational operations also occurred within several British Columbia firms, particularly those that were not absorbed by foreign corporations (supra). The foremost British Columbia corporation was the MacMillan Bloedel group which assumed multinational proportions and activities in its own right during the 1960's. MacMillan Bloedel in turn was linked and interlocked with other major indigenous corporations by means of common directorships, banking arrangements and common projects. In 1961 slightly more than 50% of the total taxable income in British Columbia was produced by thirteen companies alone; one-sixth of the total taxable income was contributed by MacMillan Bloedel, and fully one-third by the top three companies (Macmillan Bloedel, Cominco and Crown Zellerbach) (46)..

In 1969 there were extensive interlocks between the directors and the capital involved in the four largest firms in the forestry industry in the province - MacMillan Bloedel, Crown

Zellerbach, B.C. Forest Products, and Weldwood. These firms in turn were also interlocked with finances and directorships in the mining industry.

Between 1968 and 1970 B.C. Forest Products constructed an instant town at Mackenzie in the north central region of the province. The development and interlocks of this corporation indicated that the indigenous corporations in the forest industry were just as extensively interlocked and controlled as were the foreign owned companies involved in the takeovers and control of the Rayonier and Tahsis corporations. Table XI shows the extent and nature of the interlocking of B.C. Forest Products, the builders of the instant town of MacKenzie, and its owners and subsidiaries.

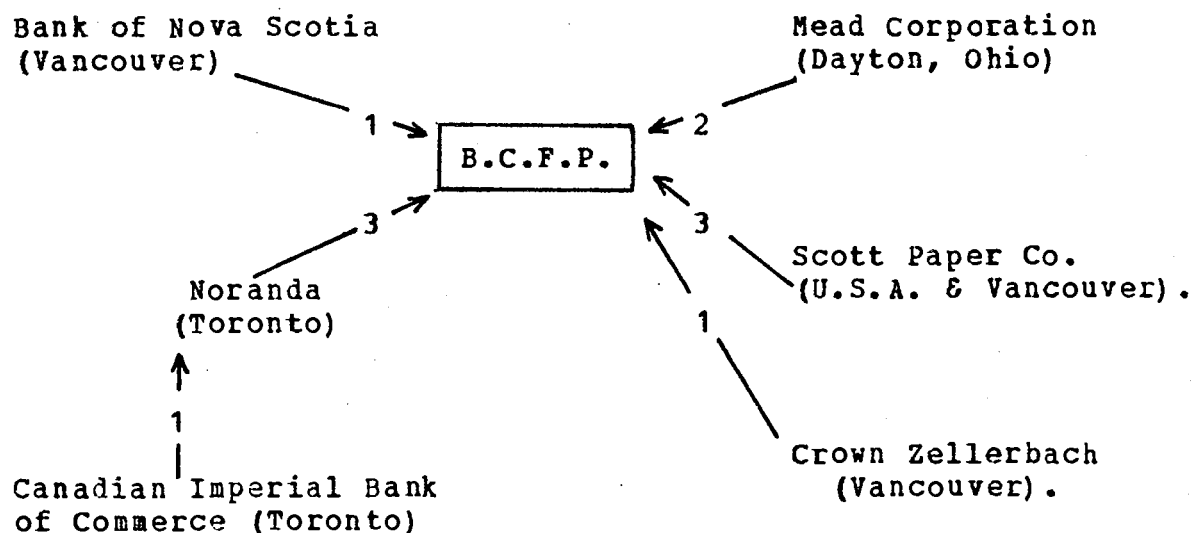
Table XI: SHAREHOLDING STRUCTURE-B.C. FOREST PRODUCTS (47).

Noranda Mines Ltd.	Toronto	28.9%
Brunswick Pulp and Paper	USA	26.9%
Mead Corporation	USA	15.5%
Argus Corporation	Toronto	13.4%
Other		15.3%
Total		100.0%

The ownership pattern of B.C. Forest Products gives an indication of the extent to which foreign and indigenous capital became involved in the British Columbia resource hinterland. The company was originally incorporated in 1946 under British Columbia laws, as Vancouver Cedar and Spruce Ltd. Between 1946 and 1955 the company expanded and acquired assets of other logging and milling companies both in Vancouver and in the central interior of the province. Between 1955 and 1957 the

Scott Paper Co. of Pennsylvania acquired one million shares which it later sold to the Brunswick Pulp and Paper Company, a subsidiary of the Mead Corporation of Dayton, Ohio, and Scott Paper Co. In 1964, and again in 1967, the company purchased shares in Alexandra Forest Products at Mackenzie in northern British Columbia, where it was to build its instant town in 1968-70. In early 1969, Noranda Mines purchased 400,000 outstanding common shares of the company at a price equivalent to \$40.00 per share. This purchase gave Noranda a 29% share of the outstanding common stock of B.C. Forest Products (48). The place of residence and the affiliations of B.C. Forest Products Company directors gives an indication of the institutional interlocks involved in the growth of this company.

Figure 6: NUMBERS AND AFFILIATIONS -
B.C. FOREST PRODUCTS DIRECTORS, 1972.



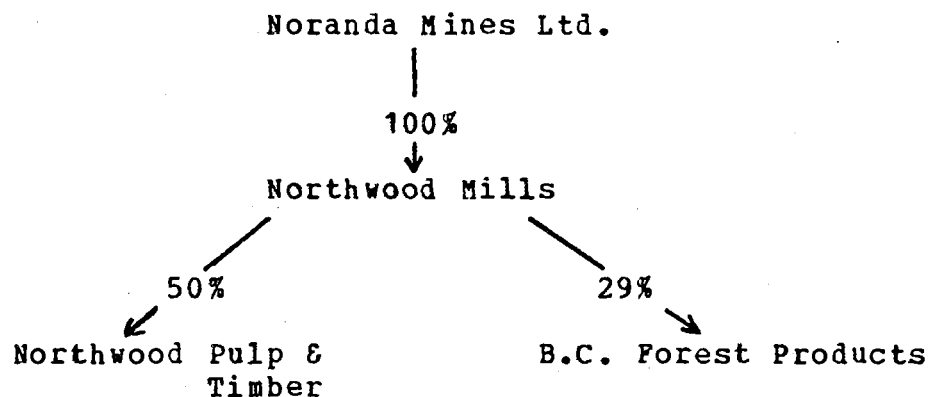
(-x- = shared directorships).

Although B.C. Forest Products was basically Canadian owned

and operated in 1972, there were affiliations with foreign owned corporations. For instance, of the thirteen members of the company's board of directors, seven were based in British Columbia, one in Toronto, and five in the USA. In British Columbia, all local sales of B.C. Forest Products were conducted by MacMillan Bloedel; in the USA a subsidiary of the Mead Corporation was the exclusive marketing agent for kraft Pulp from the B.C. Forest Products plants at MacKenzie (49).

The horizontal merging of B.C. Forest Products, a forestry company, with the Noranda Canadian Mining Corporation with multinational linkages, shows a further characteristic of resource companies in the British Columbia resource economy during the 1960's. The ubiquity of the Noranda investments can be traced in Figure 7 which shows the holdings directly attached to Noranda and indirectly to B.C. Forest Products.

Figure 7: B.C. FOREST PRODUCTS SHARE HOLDINGS (50).



The Noranda involvement in British Columbia forestry began in 1961 with the takeover of a British Columbia firm, National

Forest Products. This initial expansion was furthered into the Northwood pulp mill operations and into B.C. Forest Products in 1968. Thus the intra- industry consolidation evident in many metropolis-hinterland relationships in the province was complemented by inter-industry mergers and takeovers by the Noranda group. This form of inter- industry consolidation, while not unique to Noranda, nor to British Columbia, demonstrates the form of influence and control over the industrial and financial sectors possible under forms of monopoly capitalism. The concentration of corporate power which occurred in the 1960's in British Columbia's resource industries formed an interlocking system of financial and economic power whose collective controls ranged over all major segments of the political economy of the province.

The growth of multinational organizations and the centralisation of control and ownership became focused in companies in Toronto/ Montreal, New York and Europe. This process is summarized in Table XII showing the extent to which the British Columbia companies and industries associated with new towns in the province are controlled from outside the province and from outside Canada.

Table XII: LOCATION OF CONTROLLING INTEREST GROUPS OF B.C. RESOURCE INDUSTRIES ATTACHED TO INSTANT TOWNS: 1962-1972 (51).

Company	% For. Owned	Majority shareholders & % shares held.	Total Cdn. Dire's.	Total B.C. Dire's.	Region of Control
Cominco (Elkford)	21.9	CPI 54%	13/13	5/13	B.C. & cen.Can.
B.C.F.P. (MacKenzie)	50.9	Noranda 28.5% Mead 15.3% Brunswick 26.6% Argus 13.4%	8/14	7/14	Can. & USA
Bell Copper (Granisle)	28.5	Noranda 26.5%	9/11	7/11	Can. Can.
Lornax (Logan Lake)	39.1	Rio Algom 59.0%	9/13	1/13	U.K.
Kaiser (Sparwood)	79.2	Kaiser Steel 79.2%	6/14	3/14	U.S.A.
Granisle Cu. (Granisle)	100.0	Zapata 100.0%	5/11	2/11	U.S.A.
Tahsis (Gold River)	100.0	Can.Int. Paper 50.0% East Asiat. 50.0%	9/12	0/12	USA & Eur.
Rayonier (Port Alice)	100.0	ITT 100.0%	n/a	n/a	U.S.A.
Endako (Fraser Lake)	28.5	Noranda 26.5%	9/11	7/11	Canada

The process of penetration and integration in the British Columbia resource hinterland in the 1960's was part of what Hone called the 'primary commodities boom in the 1960's' (52). Demand for primary commodities jumped in that decade, giving rise to the expansion of resource extraction not only in British Columbia but in other regions of Canada, as well as the third world. This expansion was accompanied by a growth in size and

rate of extraction by multinational corporations as witnessed by their movements in British Columbia in the 1960's. The patterns of ownership and control in the B.C. resource hinterlands, and the interlocking nature of the corporate structure illustrated here, demonstrate the type of penetration which occurs in staples extraction economies. The overall impact in British Columbia was to increase the degree of foreign ownership by multinational corporations, and to increase the dependence of the B.C. political economy on foreign capital. In this manner, local capital was integrated into the world system and the British Columbia resource economy became an integral part of an international metropolitan economy. Thus the hinterland economy and its resource based towns became increasingly dependent upon external metropoli, and the interactions of corporate directors became increasingly focused on a network evolving in Vancouver, eastern Canada (Toronto/Montreal), New York, and Japan. The net result of this process on the settlements in resource extraction areas, and in particular the instant towns, was that they became increasingly dominated by large corporations whose interests lay not in the local settlements but in the profitable extraction of staples. As we will see in later chapters these interests were not always beneficial to the growth of viable community structures, permanent settlements (in the sense of lasting longer than the life of an ore-body), or long-term planning in local areas.

An important factor in the growth of this type of corporate

structure in British Columbia was the impetus provided by the provincial government. The next chapter will discuss the facilitative role played by the Social Credit provincial government.

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Chapter Four.

THE POLICY AND POSTURE OF THE
SOCIAL CREDIT GOVERNMENT: 1952-1972.

"It is the universal accepted belief that British Columbia will one day rank amongst the richest mineral districts of the world, her large deposits of the precious and useful metals and minerals...have been systematically and profitably mined for years, while others are still waiting the development of which they are capable". (Oppenheimer, 1888), (1).

A ballad - "King of the Wild Frontier",
Three years have passed since we gave him the reins,
At putting things right he's spared no pains.
Establishing projects, reducing our debt,
And what's still to come -
Wow! You've seen nothing yet!
Ce-cil- Cecil Bennett,
Carving out a new B.C.
(Social Credit party anniversary of taking office
-August 1955) (2).

An essential prerequisite to the expansion of the natural resource industries and the growth of instant towns in British Columbia was the facilitative and promotional position adopted by the Social Credit government between 1952 and 1972. The government under W.A.C. Bennett saw its role as threefold: to establish liason with large corporations and financial houses willing to invest in a resource extraction economy; to provide an infrastructure of railways, roads and electrical reticulation through the medium of government departments and crown corporations; and to provide a fiscal policy, a tax structure and a legal framework to encourage the expansion of large and multinational corporations in the province's forestry and mining sectors. Direct investment in resource extraction by government alone was not part of the Social Credit plan; the object was

rather, to provide the economic, infrastructure upon which business could build profitable enterprise.

The combination of government and private enterprise business envisaged by the provincial government was not unusual in the history of resource extraction and public works projects in Canada. In the words of Gonick:

"...from the very beginning of Canadian history, from the fur trade days through the era of the railways and the resource and manufacturing industries, government and big business have forged a partnership to direct the pattern and character of the Canadian economy" (3).

One of the outstanding projects of this nature was the Canadian Pacific Railway in the late 19th Century. Under the aegis of Sir John A. Macdonald's National Policy, major financial houses from eastern Canada joined with the federal Canadian government to promote the CPR, to people the Prairies and the west, and to establish a chain of settlements and investment sites across Canada. In like manner in the 1960's, business and government joined in the exploitation of natural resources in the hinterlands of British Columbia, using as tools the Pacific Great Eastern Railway, the new resource towns, investment capital from the United States, Japan and Europe, and a core of crown corporations to develop a transport network and a series of hydro-electric dams. This particular form of government and private enterprise cooperation has also produced the James Bay scheme for electricity generation in northern Quebec, the St. Lawrence Seaway in Ontario, and the Mackenzie

Valley pipeline in the Northwest Territories.

During the 1950's and 1960's it was apparent that the provincial government in British Columbia was intent on promoting the province as a resource extraction hinterland. This policy was also following the intent and purpose of the policies of John Diefenbaker and other federal leaders who saw the north as a bounteous storehouse ready to be opened up. Other provincial politicians also shared this same philosophy; northern Canada was a repository for foreign investment and a storehouse of natural resources waiting to be exploited.

It is interesting to note also at this point that the federal government position in the 1950's and 1960's, as far as can be ascertained from policy statements, appeared to parallel and support that of Bennett's government in British Columbia. Fayerweather cites the WINTERS REPORT of 1966 as an example of the federal position at that time: "The federal government should take steps to encourage greater ownership of the economy, without discouraging foreign investment" (4). However, it is not the intention here to provide a detailed analysis of the federal versus provincial policies, the details of which have been adequately discussed by Fayerweather, Brewis and others, but rather to detail the working out of a provincial policy within the given context of federal policy and law, and to show how the provincial policy impinged upon and created and shaped the political economy in which the instant towns were created.

THE ROLE OF PREMIER W.A.C. BENNETT.

According to Gonick, the partnership between financial capitalism and the State is one in which "...the state remains both the sword and the shield of capitalism "(5). In championing the cause of private enterprise and the expansion of multinational corporations Bennett laid the foundation for a new phase of metropolitan domination of the British Columbian economy. Between 1952 and 1972 he worked at measures for opening up the resource frontiers of northern British Columbia to a staple based economy in which resources were to be exploited and exported to the metropolitan countries of Japan, the United States and Europe. For 20 years the Social Credit government strove to open up the north of the province, as well as other more accessible frontier areas, by driving the Pacific Great Eastern railway north through the city of Prince George to the Peace River country and the Yukon border, to eventually connect with railroads in the Northwest Territories and Alaska.

In speech after speech in the British Columbia legislative sessions, around the province, and in the annual budgets, the provincial government laid down the groundwork of its expansionist policy. Bennett's own position with regard to the role of government in the development of resources became clear soon after his election as premier in 1952. In 1954, with allusions to "...bold and objective projects leading toward the rapid development of our vast natural resources", he gave the first indications of his plans for the north and for British

Columbia's resource industries, (6).

Two years later he placed his vision of British Columbia's role more clearly in the context of Canada as a whole with this statement: "...the development of the province's resources is manifestly of importance to the economy of the nation. No other economic area has such a variety, as well as such potentials, in undeveloped natural resources" (7).

The north and the northeast regions of the province with their untapped wealth were to be the focus of expansion. "If there is anything that is of basic importance to the further development of British Columbia", explained Bennett, "...it is the development of the rich resources of the northern and central regions. The Peace River particularly is one of the areas in Canada most ripe for development" (8).

This was Bennett's dream. British Columbia was to fulfill her potential as a staples producing hinterland not only for Canada but for the world at large. The world at large included the multinational corporations in Europe, Japan and the United States, and government would facilitate the fulfillment of this potential by "...providing the ways and means that would attract and assist capital and labour to convert idle riches and power into products and instruments" (9).

Within his government these "ways and means" were articulated by Bennett who took the position of Minister of Finance in 1954; by Williston the Minister of Lands and Forests,

by Gaglardi the Minister of Highways, and by Campbell the Minister of Municipal Affairs. Important parts were also played by a group of promoters and developers initially under the auspices of Wenner-Gren, a Swedish industrial financier, and later by banks and industry in the metropolitan centres. The investment of capital in turn generated support for the growth of large and multinational corporations in the province, including MacMillan Bloedel a British Columbia based company, and the Kaiser Steel Corporation of California.

Bennett, as Minister of Finance, became concerned with providing capital for the financing of the infrastructure for industrial expansion. He, like Premier Smallwood in Newfoundland, developed a philosophical position with regard to the role of the State which placed the State in the position of facilitator of corporate development. As Gonick has written:

"...the State must, within the limits imposed by the prevailing economic system, assume responsibility for many functions and services which are beyond the scope and capacity of individual capitalists, even giant corporations. These include establishing a favourable fiscal and monetary climate for economic growth; underwriting private risks at public expense through a wide variety of incentive programmes,...state financing of public utilities, railroads, airports and highways to assure low cost or free services to facilitate growth" (10).

Shortly after election to office in 1952 the Bennett government appealed to the federal government of Canada for financial assistance, and Bennett himself took the first of what was to become a long series of trips to the financial and

loan houses of the United States and Europe. In December of 1953, Bennett, with two of his cabinet ministers, travelled to New York "...to reassure and encourage investors to pour money into British Columbia" (11). The same journey continued to Ottawa where meetings were held with the federal government to request a 50:50 sharing of funds in road construction, railway expansion and forestry development. Such trips became a feature of Bennett's financing programme. Foreign capital was persistently invited into the province either as direct or portfolio investment, or as government bond loans.

Bennett's requests to the federal government were based on the Report of the Royal Commission on Federal-Provincial relations in 1939 which had recognised that "The opening up and development of new resources in the central and northern interior, essential to the further expansion of the economy, (would) require costly transportation facilities" (12). Bennett concluded that the province was fully justified in requesting the aid of the Federal government in financing some of the basic requirements for further development (13). Further justifications for aid were founded on a report of a House of Commons Committee on Reconstruction and Reestablishment which, in a statement published before the close of World War II, recommended that the northern region of British Columbia, specifically the Peace River country, be given direct railway connections with the Pacific coast at the earliest possible occasion. The Commons Committee considered that a railway

connection was essential to the proper economic development of British Columbia and Alberta.

Bennett's 1953 visit to New York was aimed at arranging finances for expansion into the hinterlands of the province. He succeeded in enlisting further private investment in the development of the natural gas and oil fields of the Peace River (14). Although foreign loan capital and direct investment of this nature were seen as essential for growth, particularly by the provincial government, the prospect of foreign control of the industry in the province constituted a real fear for some British Columbians. Bennett, however chose to ignore such concerns. For instance, following the outright purchase of a B.C. forestry company, Alaska Pine Ltd., by Rayonier of New York, there were fears expressed about the possible takeover of the province's forest industry by foreign corporations. The Social Credit government responded in the following manner:

"...an aspect of foreign capital coming into British Columbia is, apart from the usual psychological fear associated with this matter, the false idea that foreigners are acquiring our resources....We are using the funds of others to develop our own resources....The important question is not who owns some of the shares of today or tomorrow, but whether employment continues steadily, and the plant continues under efficient management to produce the best product which will bring the highest dollar" (15).

The Bennett government was cognisant of the need for capital to expand the resource industries of the province even to the extent of recommending that "...the people of B.C. invest in the shares of the industries developing natural

resources, particularly the forest industry"(16). But Bennett himself asserted that British Columbians did not have sufficient savings for the risk capital required for his developments. He cited the impact which British and American capital had had on the long term development of Canada and argued that outside capital was vital for 'sparking B.C.'s prosperity'. In Bennett's words:

"It was U.S. money which provided much of the industrial expansion in eastern Canada. Individual corporations such as General Motors of Canada, Ford of Canada, Canadian Westinghouse and Canadian General Electric are examples of such developments" (17).

In the first five years of the Social Credit government the method of financing deployed by Bennett came under attack by the opposition parties in the province. In 1956, Finlayson, the leader of the Progressive Conservative party in British Columbia, claimed that Bennett's method of financing would lead to United States investments taking over Canada's industry and natural resources. He stated quite categorically:

"...that in some (of our) industries we have already been gobbled up....The bulk of the ownership is in foreign hands....The empire that he (Bennett) is building will in time be presided over and managed by Americans... and history may record him as the blind empire builder"(18).

The C.C.F. opposition also expressed strong doubts about the role of foreign capital in the provincial government's plans for the opening up of the resource hinterlands. Strachan, the C.C.F. leader in 1956, took a position which would have reversed some of the expansionist policies of the provincial

government. He claimed that direct foreign investment implicitly involved the abrogation of control and ownership of natural resources. In Strachan's words:

"There are a lot of people wanting to come to British Columbia with money as long as they get deals like this administration gives them...as long as we continue to give away all our forest industries they will continue to come and get our resources at fire sale prices" (19).

Similar sentiments were expressed by T.C. Douglas of the New Democratic Party in 1963. His concern over ownership and control of resources led him to several conclusions regarding the nature of the development which he saw taking place under the Bennett government in British Columbia. He claimed that 73% of Canada's economy was already owned and controlled by firms outside Canada who had no interest in Canada. Such ownership patterns could only make Canada into a nation of extractive industries. "They take our natural resources", he said, "but they don't process them here" (20).

The debate between the Bennett government as advocates of foreign investments, and the opposition, led Bennett to defend his government's stand. His defence was based on Keynesian principles of expansion and growth. Investment of capital in the form of corporate investments and accrued savings, was seen as leading to expanded production, to opening new resource frontiers, to broadening the infrastructure and to the accumulation of more capital for further growth (21). However, the spectre of foreign ownership which could lead to control,

continually shadowed Bennett's vision of the north, and he was forced to defend his expansionist model on numerous occasions. In 1965, after thirteen years in office Bennett still claimed his government had full control of the province's natural resources. He claimed there was no danger of outside investors owning British Columbia; even the Federal government, he suggested, was beyond controlling the province's resources. By having full rights to resources, according to Bennett, "...we're the only ones who can deal with investments abroad"(22).

DEVELOPMENT BY INVITATION:
BENNETT'S COURTSHIP OF FOREIGN INVESTMENTS.

Even though Bennett was obliged to defend his borrowing and expansionist policy, the debate in the province was really no contest. Firmly entrenched in power over a period of twenty years, the Social Credit government embarked upon the programme of encouraging foreign investment in the hinterland resource areas of the province. But in order to attract foreign capital, Bennett first had to sell the idea of British Columbia as an expanding region worthy of consideration by the investment houses in the United States and Europe. In June of 1956 he returned from New York and Chicago "...well satisfied with negotiations with leading investment houses to borrow \$4 million for public projects including the Pacific Great Eastern Railway, a toll highways authority and the B.C. Power Commission"(23). In the same year Bennett was able to interest European investors in the PGE, and these initial approaches were

the prelude to a long courtship with European investments in this, his "pet project" (24).

In his forays into the world's loan markets, Bennett always emphasized the potential for growth and expansion in British Columbia's resource economy. However on a visit to London in 1960 he added a different and distinctive perspective to his invitations to the investors. The emphasis on capital was tempered with an invitation to British immigrants. "We want British capital and British workers...", said Bennett, "...investors and people who are prepared to work darned hard and who do not expect a fortune to fall in their lap" (25). He promised the highest salaries in Canada for industrial workers and a warm welcome for all immigrants. He predicted the biggest business boom in his province's history, "...with rich prizes for those who invest in Empire" (26).

The promise of a long courtship between the Social Credit government and its foreign suitors turned sour in 1960 and 1961 when Bennett nationalized the British Columbia Electric Company, to give him complete control of a major electricity producer and of most electricity reticulation and distribution in the province. Shocked and aghast that the promises of secure investment could be overturned in such a stronghold of private enterprise, the foreign financial houses turned against Bennett's dream of investments and growth. This reverse for the government served to point out the extreme dependence of the expansionist policies on foreign investors, and Bennett was

forced even further into his rôle of enticer of capitalists. According to the Carnegie Institute in Pittsburgh, the sudden takeover of the B.C. Electric Company, caused a wane of United States interest in British Columbia to the extent that Wall Street and the banks no longer considered British Columbia a 'safe' investment area (27). The government responded to such set-backs by selling the province's prospectus even harder. London and other European capitals were visited to persuade bankers to invest in the province, either in the PGE railway or the wood pulp industry, which, during the mid-1960's was coming into a period of growth.

In the early 1960's Bennett even went so far as to take extensive newspaper advertising space in British newspapers to promote the expansion of natural resource industries in the province. British Columbia was described as a vast area, blessed in the abundance of human and natural resources and offering great opportunity for free enterprise development. The policies the government had instituted to encourage a suitable investment climate for new capital investments were explained. The first two policies concerned labour legislation and a bounty system on minerals. The third involved the adoption of measures designed to provide "...the largest new block of hydro-electric power for industrial development in the history of the western world" (28). The Premier also called on what he considered a traditional financial arrangement between Britain and Canada, whereby British capital had helped create the Canadian

industrial infrastructure and in particular had helped the expansion of British Columbia's resource industries. However, the investment relations between Europe and the province remained cool, with British and Swiss banks especially, expressing a mixture of resentment and scepticism regarding the future of Bennett's dream.

Faced with an investment drought in Europe and the United States, the provincial government turned to other sources of capital to maintain its boom economy. In 1965 a provincial economic development mission travelled to Japan, and asked Japanese industrialists to join in the promotion and expansion of British Columbia's resource frontier. A slight variation was introduced into the invitation to invest at this point; instead of requesting banks to purchase parity bonds as he had done previously in Europe, Bennett requested that "Japanese Companies collaborate in joint ventures in the province to process or refine raw materials to meet demands from markets in Japan and North America" (29). The mission's objective was to set up joint ventures to develop raw materials such as copper, iron ore, lumber, fish products, coal and bauxite to meet Japan's export and domestic demand. There was one further variant in the type of investment the Bennett government wished to attract. The nature of the joint ventures was to be extended to the creation of secondary and processing industries in the province. In this manner Bennett hoped to overcome the industrial impasse in the province created by the dominance of extractive

industries and a substantive lack of secondary and processing industry. The 1965 mission envisaged that "...instead of taking B.C. minerals in the raw state and exporting them to Japan, that an agreement would be reached whereby basic processing would be handled in the province and the semi-finished material would be shipped across the Pacific" (30).

Meanwhile, before the pattern of secondary industry could be developed, Japanese investors were invited by the provincial government to place funds in the province's developments under special partnership agreements. Bennett stated that this move would help safeguard British Columbia's boom by ensuring that Japanese exports would not drop off sharply in a recession. The matter of the ownership of the resources in the province was of no apparent concern in such agreements because, as the Premier noted, 95% of all B.C. resources are held by the Crown. However, the new pattern of investment suggested only a slight variation of direct control and foreign ownership by corporations based outside Canada. Faced with the principles of joint partnership, Japanese investors from the mineral industry evolved a system of long-term supply contracts. By virtue of investments and loans to Canadian banks and resource companies, and exclusive long-term supply arrangements, the Japanese smelting companies were able to exercise a degree of control over the rate of growth and the type of development in the resource hinterland in the 1960's.

The nature of the boom economy in British Columbia, together

with the government's method of sustaining it, was expected to be sufficient to overcome any reluctance on the part of European sources of capital. Although prospective and actual Japanese investors in 1965 and 1966 appeared to fill the Premier's requests for foreign investment, the reluctance of European financiers following the abrupt take-over of the B.C. Power Company, meant that there were still gaps which Bennett considered necessary to fill.

The trade mission to Japan was followed three weeks later by a mission to Italy and England during which investors responded to new approaches for capital (31). Between 1966 and 1971 Bennett paid numerous calls on bankers and the financial tycoons of those two metropolitan centres. In May of 1966 he promoted and floated a \$50 million bond issue in New York, as part of the expansion of the hydro-electric crown corporation, British Columbia Hydro (32). In 1967 he toured Belgium in an attempt to "drum up new trade and relocate investments from the Belgian Congo to British Columbia...."; he stated after that particular journey that "...his most interesting discussions were with industrialists desirous of relocating their African holdings"(33). By September of 1968, British Columbia's Agent General in London claimed that there were excellent chances for investment from Austrian, Spanish and Portuguese capital - in conjunction with Canadian companies. The attraction was, he claimed, "...the province's abundance of natural resources"(34). Clearly the sources of capital, considering the fact that he was

soliciting capital that was fleeing colonial wars in Africa, was of little concern to Bennett. The operative factor was, instead, a constant and growing supply of foreign capital to feed the expansionist policies of the Social Credit government, and his own dreams of a resource empire in the north of the province.

The abundance of natural resources was not the entire reason for the provincial government's search for capital on the international market. It became apparent to the Premier that capital investments of proportions never before undertaken in the province, would be required to accommodate the projects commenced by the state, let alone any other developments undertaken specifically by private enterprise. Under a boom economy of such dimensions it was not deemed possible to generate the required capital from within the province (supra). Thus Bennett found it necessary to involve capital from overseas, not only for government projects but for the burgeoning pulp and paper industry, for joint investment with existing industry, and for mining and secondary industry (35).

The framework in which the Social Credit government operated suggested that the growth of capital intensive industry was predicated upon the availability of capital and the willingness of capital to migrate to the resource hinterlands of British Columbia during the 1960's. Bennett himself believed in the viability of what he called the free enterprise system. He also believed that the role of government was to provide what he

labelled "...the right climate for industrial expansion' (36). Conversely he could also state that "...if any industry is viable it doesn't need any inducements", and his remarks regarding the efforts of the governments of Saskatchewan and the Maritime provinces, who in 1965 were trying to entice the same capital and industry that Bennett was courting in Europe, supported this argument. In his own words these competitors from the eastern provinces were wrong to offer "...subsidies and wholesale inducements because they drain the taxpayers purse" (37). Clearly his own attempts to attract capital and industry were not considered in a similar light to those of his competitors.

The expansionist policy and the heavy borrowing by Bennett's government had several long term results. It was obvious to his Social Credit government that to maintain a boom and to expand the natural resource extractive industries in the province, it had to attract large volumes of capital. As we have seen the bulk of this came from Europe, the United States and Japan. The overall result was increasing dependence on international capital and an intentional opening up of new resource frontiers. Moreover, together with the increase in foreign capitalization there came a strengthening of corporate and executive linkages between the metropolitan forces of government and big business, and the hinterland resource regions of the province. The institutionalization and entrenchment of these linkages, and the reinforcement of corporate control led

to an increased dominance of metropolitan forces over the British Columbian resource hinterland.

Several preliminary conclusions can be made regarding the process of increased dependence, and dominance and subordination in the 1960's. These may be drawn from our examination of the role of the state and the role of premier W.A.C. Bennett in the period when he actively promoted his expansionist policy and 'development-by- invitation'. Recalling the words of Gonick who said that from the very beginning of Canadian history, "...government and big business have forged a partnership to direct the pattern and character of the Canadian economy", it is possible to see more clearly the role taken by Bennett, and the context in which his expansionist policy was adopted (38). The partnership which was forged in British Columbia in the 1960's was, as we have already seen, between big business and big government. However, specific characteristics of that relationship are not revealed sufficiently in the foregoing discussion on the Premier's efforts and methods of obtaining capital. This will be discussed in more detail in the next section.

THE ROLE OF THE STATE IN BRITISH COLUMBIA - 1952 to 1972.

Murray has suggested there are six recognisable state functions within a political economy: (a) guaranteeing of property rights; (b) economic liberalization; (c) economic orchestration; (d) input provision - labour, land, capital,

technology and manufactured inputs; (e) intervention for social consensus; and, (f) management of the external relations of the system (39).

Clearly a function of the state in the 1960's, as in other periods, was to support property rights, particularly as they pertained to industrial access to forest and mining resources in the province. As a matter of course, the property rights of corporations in these two industrial sectors were given special consideration by the provincial Minister for Lands and Forests. Without such rights and security of tenure the multinational corporations would not have considered the province a secure place for investment.

The orchestration of specific events in the expansionist period was also a function of the state, but it became clear also during that period, that the state was neither exclusively responsible nor entirely in control of this particular field of events. This was particularly noticeable when large multinational corporations with a considerable degree of autonomy and fluidity became active in the 1960's. The international nature of capital and the mobility of finances across international boundaries was a factor which distinguished their field of activities from activities which could be directly controlled, governed or policed by the state.

It was also a concern of the provincial government that an adequate supply of labour should be available for work in the

mines and mills of the companies which expanded in the province. Labour, together with capital, were considered by Murray under the general heading of 'input provision', and it is to this role of the state under Bennett's government that we will now turn. Murray's discussion of 'input provisions' is also pertinent to our analysis here. Under Bennett, the state acted to ensure the existence of a workforce in the hinterland resource areas, and where such a workforce was not present, it ensured that there were settlements built to accommodate workers who would migrate from the cities, or from other resource frontier areas.

Where multinational corporations were invited to invest in the province, or to construct industrial plants the government moved to ensure that land was made available (supra). Under special schemes corporations investing in forestry for instance, were granted unique Tree Farm Licenses to ensure them a long term and continual, renewable supply of raw materials. In addition the corporations which agreed to construct new settlements in the resource frontier areas were given special considerations under land grant regulations whereby land was removed from crown control and sold to companies at nominal cost.

The role of the state in producing industrial technology for the corporations was, however, restricted to specific elements of the infrastructure such as roads, bridges, dams and buildings. The provision of industrial expertise and equipment was left to the companies themselves, as was research into

industrial methods and processes. Indeed, much of the research and expertise required in specialised sectors of the mineral extractive industries was either brought with the corporations when they first came into the province, or derived from laboratory research in the metropolitan centres of the host countries of the multinational companies.

The role of capital provider was, as we have already seen, undertaken by both Bennett and the foreign financial houses. The relevance of the sources of this capital are best described in Bennett's own words: "It makes no difference whether the capital is equity capital or investment capital so long as governments set the rules under which it operates" (40). Though he did not appear to be concerned with the role of the state in this concern, vis-a-vis the nature of equity or investment capital, the categories were vital to understanding the type of control which came to be exercised by foreign companies in British Columbia in the 1960's. Moreover, the Social Credit government's apparent lack of concern regarding the sources and type of capital it invited in are a useful index of the increasing internationalization of capital, and the widening range of controls which were thereby vested in the metropolitan economies of Europe, Japan and the United States (41).

THE STRATEGY FOR GROWTH IN THE EXPANSIONIST
PERIOD OF THE 1960's.

The technological strategy for expansion in the resource areas of British Columbia developed in two separate but interlocked sectors of the provincial economy. One evolved from the state crown corporations in energy, transportation and access to natural resources, while the other came from the extraction technology of specific corporations (supra). The former was derived from a combination of federal and provincial government projects using both national and international sources of finance to capitalize the private enterprise operations and the crown corporations. The federal government role was restricted to the passing of laws which were meant to control the levels and type of foreign investments, and to regional development programmes for under-privileged areas in Canada, a category in which it was reluctant to include British Columbia.

The inter-governmental relations of Ottawa and Victoria were very much influenced in Bennett's era by the overwhelming desire of Bennett to obtain federal aid for his programmes and by an equally strong desire on the part of the federal Canadian government to avoid such participation. Nevertheless the reluctance of Ottawa did not deter the Premier, and throughout his tenure as Premier he continually courted and cajoled the federal ministers responsible for the dispersal of development funds.

The long courtship of federal funding agencies commenced shortly after Bennett became the Premier of British Columbia.

On December 14, 1953, he submitted a brief on federal-provincial co-operation in the funding of the economic development of the province. The essence of his proposal was a joint public investment policy for the two governments, particularly with regard to key highways, resource roads, and railway expansion. The investments would thereby "...accelerate and promote economic development, as well as introducing proposals with respect to the protection and conservation of natural resources to ensure their permanent and lucrative use for the future" (42).

Federal-provincial cooperation of this nature was originally advocated in the GREEN REPORT on British Columbia's natural resources, and Bennett seized the opportunity to invoke the recommendations of this 1945 report and involve the federal government in a cost sharing plan. However the efforts to involve Ottawa in such plans, for the most part fell on barren ground (supra).

The provincial government also observed that it would be necessary to develop a network of railways to connect saltwater ports in the west of the province with the new resource extraction sites in the north, centre and southeast. The provincial department of railways in Victoria had proposed such a development in 1949 before Bennett came to power, and this proposal, together with additional government plans, formed a major key in the industrial expansion strategy in the 1960's. In 1949 the railways department had proposed "...a line of railway through Prince George and the northeast, to develop and

handle the natural resources. The first objective was for a line to go through the forests and into the coalfields... When profitable revenues accrued from those industries, extensions could then go beyond the Rockies...to give a more direct route to the Pacific for agricultural products" (43).

By 1954 Bennett's strategy involved the completion of a trans- mountain oil pipeline, the prospects of a Peace River gas pipeline, extensions of the P.G.E., expanded highway construction, and plans for industrial plants in the north (44). All were components of a policy whereby access to the resources of the hinterland could be obtained. There were four defineable phases within the overall process of gaining access to resources. Firstly the presence of resources was made known by extensive surveys and private staking of territories in the resource hinterland of the province. This was followed by the generation of development plans by big business and big government. Penetration of the resource areas was in turn achieved by government owned railways and highways, and the final phase of extraction was executed by private enterprise corporations. These four phases were the format adopted by the Bennett government not only in the north and the northeast of the province, but in the southeast Kootenay region and in the central regions adjacent to the city of Prince George.

The timing of the growth phases depended upon the availability of capital for development and, in the case of British Columbia, upon the willingness of the provincial

government to embark upon new capital commitments to support the activities of private enterprise. Firstly the 'Pacific Great Eastern Loan Act, 1954', provided the major impetus for the expansion of the provincially owned railway. The Social Credit government sold \$8.5 million of notes to a Vancouver bond dealer and to the Canadian Bank of Commerce. With this outlay the first phases of the expansion were put into operation; a southern extension of the railway was completed by 1956, taking the line the 40 miles from the small town of Squamish on Howe Sound to the port city of Vancouver (45).

Work on northern extensions of the P.G.E began in June 1955 under a \$9.8 million contract to take the line 145 miles north of Prince George. The railway company also approved more construction to Fort St. John and Dawson Creek in the Peace River region. From Prince George the plan was to proceed north for 194 miles via Red Rocky creek and Pine Pass, to a junction at Little River. From this point two branches would extend - one to Fort St. John and the other to Dawson Creek, 259 miles from Prince George - to enable connection with the Northern Alberta Railway (46). (See map 2).

In 1953 Bennett had suggested an even grander plan for the P.G.E., a plan which involved federal and Alberta government assistance in extending the Northern Alberta railway across the northern sections of the prairies, ultimately to connect Vancouver with Hudson Bay (47). These proposals never came to fruition but the new extensions to the P.G.E. in 1956 increased

the railway's traffic volumes and opened the territories north of Prince George. Traffic over the line showed an increase in 1956 by a margin of 45.42% of the volume during the same period in 1955, and 82.97% over that of 1954 (48).

Throughout the early relationship of the provincial government with the P.G.E., Bennett had requested financial cost sharing and assistance programmes from the federal government. Despite annual appeals to Ottawa, the Premier only succeeded in obtaining one limited federal mileage subsidy. He claimed that a federal minister, the Hon H.Green, "...stated in 1955 in the House of Commons that the national government should subsidize the entire Peace River railway extension" (49). According to Bennett the claims for federal funding for the P.G.E. were comparable to grants given to the Timiskaming and Northern Ontario Railway, and the Beattyville - St.John Lake branch of the Canadian National Railway in Quebec, and hence the British Columbia requests should by rights be met. They were not, and the repeated rejections of Bennett's appeals for funds possibly contributed to his vehement claims for control over the railways and resources of the province, and to his territorial claims over the Yukon and Northwest Territories at the federal-provincial conferences in Alaska in the 1960's (50).

The development of the PGE railway and its extension into a new resource frontier was strongly favoured by Premier Bennett throughout his whole term of office. The romance of railroads and the opening of new lands appealed to Bennett's private

enterprise notions and fitted the principles of his expansionist policy. The PGE became a link between metropolis and hinterland par excellence; it became a corridor to the north where Bennett hoped to tap the rich mine and timber potential of the Peace River and adjacent territories (51). Central to the railway plan was the idea that the city of Prince George would become a hub of development. In 1968 the Premier stated his intention to extend the PGE to tidewater at the mining town of Stewart and north to Fort Nelson, "... making Prince George the hub of a vast network of trackage to open up new areas of the province" (52). It was projects such as these which gave the period of the 1960's the label of boom and expansion, and obtained for Bennett and the economy a reputation for "bouyancy, optimism, and a passion for progress" (53).

The PGE railway helped realize Bennett's dreams, plans and visions for the North. Writing in the VANCOUVER SUN in 1958, the Premier indicated the role he saw the north playing in the expansionist policies of the 1960's. He claimed that his government was extending the PGE, had initiated the first real expansion for the Peace River region. The PGE had initiated new towns and new industries, and new communities had sprung up almost before the rails reached them. Such centres as Clinton, 100 Mile House, Williams Lake and Prince George all showed signs of the impact of the railway with new businesses, housing and population increases being generated by the expansion of the railway (54).

WENNER-GREN AND THE GRAND PLAN.

Bennett's plans for the north were not modest. In 1953 he had predicted a "...fabulous industrial boom for B.C. touched off in 1954 by a multi-million dollar development of the Peace River oil and natural gas reserves. He foresaw great petro-chemical industries, pulp mills and oil refineries" (55). His development by invitation policies led to a \$500 million investment by Alcan in a new town and aluminium processing plant in the northwest corner of the province. His policy of state assistance in the promotion of private enterprise was successful in that particular venture as it was in other projects. These projects were accompanied by a spectacular, but less successful plan for development in the north of the province. This was the Wenner Gren plan, promoted by a Swedish company, and adopted by the Social Credit government. The scheme is discussed in detail here because it illustrates elements of the relationship which developed between the provincial government, acting as a facilitator of growth, and private enterprise corporations, which the premier had intended to be the tools of northern development, and economic growth in the province. The vaulting ambition of this major plan was to be the pinnacle of Bennett's dreams for northern development but the vision of his dream was not matched by the integrity of the participants.

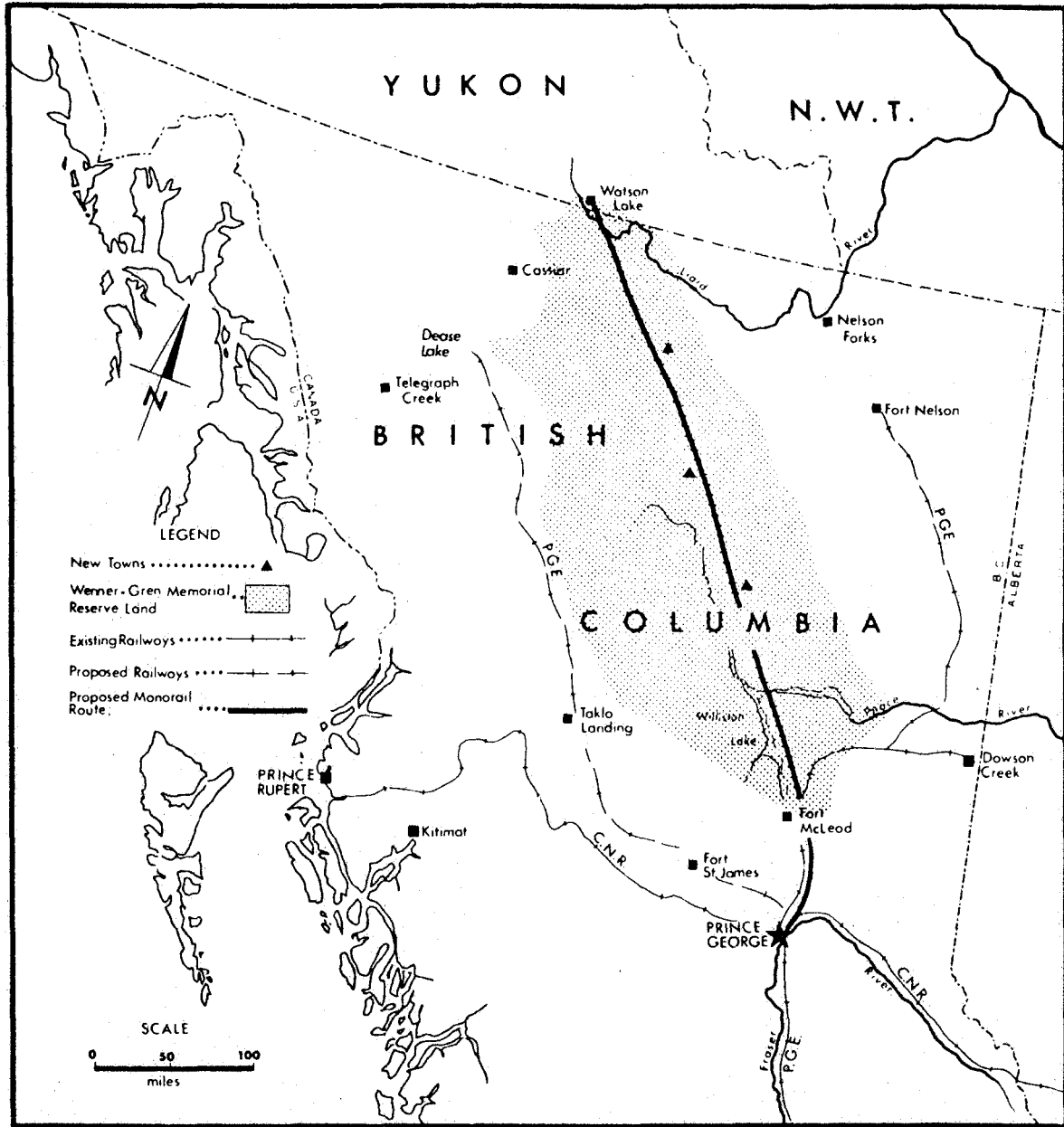
In February 1957, in identically timed announcements in London and Vancouver the provincial government released the news that "...an internationally famous company was willing to spend

two years in surveys of the north of B.C., in the Omineca Valley as far north as the Yukon border, ...in return for certain mining rights" (56). The 'famous company' was headed by Dr. Axel Wenner Gren, a Swedish industrial entrepreneur and financier with interests and operations in Mexico, the United States and Southern Rhodesia. The scheme which followed the announcement in 1957 embraced a large-scale exploratory survey covering 40,000 square miles in the Rocky Mountain Trench - an area between 14 and 130 miles wide, stretching north from near the city of Prince George to the Yukon. Map 2 shows the details and extent of the Wenner Gren proposal.

In the Letters-of-Intent, signed by the Social Credit government and Wenner Gren's company, Wenner Gren (B.C.) Development Company (a subsidiary of his Swedish organization), the company was required to construct hydro electric plants, mineral extraction plants and wood pulp mills in the northern Rocky Mountain Trench. In addition Wenner Gren offered the social Credit government the prospect of a further extension to the P.G.E. railway in the form of a monorail running 400 miles north to the Yukon border. By means of this monorail the products of the forest rights and mineral reserves granted to Wenner Gren in the Rocky Mountain Trench, were to be transported at speeds of up to 180 mph south to the railhead of the P.G.E., and thence to the salt water port at Vancouver. In the words of Einar Gunderson, a minister of the Social Credit government, "...we are tickled to death to have this Wenner Gren railway run

Map Two

Wenner-Gren and Bennett Plans for Northern
Development in British Columbia, 1952-1972.



Bennett and Wenner-Gren plans for Northern Development in B.C. 1952 - 1972

up north - it ensures the success of our government owned railway" (57).

The Wenner Gren company in British Columbia was incorporated under the B.C. Statutes on November 21, 1957. The board of directors was composed of two representatives from the Swedish parent company and one from British Columbia. The British Columbia member was Einar Gunderson, recently deposed as Bennett's Minister of Finance, but who was still an active vice-president of the P.G.E., the government owned railroad. Questions were raised in the provincial legislature regarding the possible existence of a conflict of interest in the matter, but these were dismissed by the government. However, the questions did serve to isolate some of the connecting linkages in the Social Credit expansionist policy which brought together private enterprise and big government. Despite the dismissal of charges further questions were asked in the legislature. One opposition member, for instance, pointed out the conflict of interest and claimed that it did not seem possible for Gunderson to perform as economic advisor to the government, whilst at the same time performing as a director of the company on whose behalf a vast territory in the north had been secured (58).

Concern about the connections with Gunderson and the contract to 'give away' one tenth of British Columbia's area to a foreign company was expressed both in the press and in the legislature. The editors of the VICTORIA TIMES doubted whether the government had considered the implications of arrangements

between itself and Wenner Gren, particularly the matter of the financial integrity of Wenner Gren, and the granting of exclusive rights to unknown natural resources in the Rocky Mountain Trench. They pointed out that this action excluded other Canadian companies, such as the Consolidated Mining and Smelting Company, from operating in the area (59). The VANCOUVER SUN and the C.C.F. parliamentary opposition pointed to the Wenner Gren plan as a further sign of the province becoming "...another haven for big corporations who hope to hold resources for ever and a day, ...which like all corporations of the kind were out to exploit resources for their own good" (60).

In 1958 the basic plans for the Rocky Mountain Trench were modified to include a major hydro-electric dam at its southern end. This modification indicated the end of the monorail which was to have traversed the length of the trench, but it also spelled the start of a new connection between the Social Credit government and Wenner Gren interests. In what Bennett called the most momentous announcement of his life, he laid out the plans for new corporate linkages in the northern hinterland. The B.C. Electric company, which he later nationalized, and a British firm, Allied and Electric Power Investment, were to be joined with the Wenner Gren company to develop the hydro-electric potential of the Trench by damming the Peace River. According to Bennett the damming of the Peace River was the whole key to the realization of the Wenner Gren plans in the north. This however was a reversal of previous plans by the

company. Instead of extracting the so-called 'fabulous mineral wealth' and forests of the Trench, the provincial government chose to allow it to be flooded for its hydro-electric potential (61).

None of the mining and energy plans conceived by the Wenner Gren company ever came to fruition (62). The contracts were never fulfilled and the company eventually withdrew under a heavy barrage of public criticism. The pretentious and expensive plans for the mono-rail and a series of arctic towns were not only abandoned but were the cause of long and bitter debates in the provincial legislature (63). The Social Credit government finally severed contact with Wenner Gren when it expropriated the B.C. Electric company and paid back to Wenner Gren the costs of the surveys in the north. However, the heritage of the dream and the expansionist principles promoted by Wenner Gren survived to be carried on. For instance, the 1959 plans for a Peace river hydro-electric dam scheme, and for an instant town at Hudson's Hope, were eventually completed, as was the new instant town of McKenzie on an arm of the lake created by the Peace river dam.

The 1961 expropriation of the B.C. Electric company by Premier Bennett did not totally end the activities of Wenner Gren interests in the Trench. Still at stake were forest and mineral resources in the surrounding region. The Wenner Gren company continued to be active in the Peace River district at least until the late 1960's. One of its main offshoots from earlier years was Alexander Forest Holdings, a holding company set up

between the Argus Corporation in eastern Canada, B.C. Forest Products and the Mead Corporation of Dayton, Ohio (64).

The failure of the Wenner Gren proposals did not deter the government from its policy of promoting expansion. It did not lead to a change of direction or policy. The hydro-electric schemes were rationalized, and railway extension further north was to be undertaken, not by private enterprise, but by the government owned P.G.E. The idea of new towns at resource extraction sites was retained and implemented during the 1960's.

Bennett's Social Credit government, by expropriating several core sectors of the economy thus provided an infrastructure for the further expansion of private enterprise's exploitation of natural resources (65). What appeared to be a policy which was totally inconsistent with the espoused free enterprise principles and philosophy of the provincial government, was in fact, the pre-condition to resource exploitation by other multinational companies which Bennett was inviting into the province at that time.

INDUSTRIAL EXPANSION POLICY IN THE FORESTRY SECTOR.

Much of the message of industrial expansion was carried around the province and into the forested hinterlands by members of Bennett's cabinet. Williston, the Minister for Forests and Natural Resources was one of the more willing messengers. His responsibilities embraced the development of forest policy and northern development. Williston represented the riding of

Fraser-Fort George, which included a region surrounding the city of Prince George in central northern British Columbia. In public addresses from 1957 through to 1972, he consistently proclaimed the virtues of the 'bounteous north' of the province. In speeches to business groups, professional organizations and to loggers, he urged his listeners to go north and participate in the opening of what he called a new frontier (66). His words, and the obvious willingness of the provincial government to encourage investments, also carried beyond the boundaries of British Columbia. Pulp and paper companies such as Weyerhaeuser and the Mead Corporation in the United States, and Svenska Cellulosa AB and Feldmuhle AG in Europe, all responded either by investing in share capital and in industrial property in the province, or by purchasing local companies outright (67).

Forest policy under Wiliston between 1957 and 1972 was designed to complement Bennett's overall expansionist policy. Roads, railways, dams and bridges physically facilitated resource extraction; changes in the laws associated with the forest industry altered both the legal position and the economic chances of large forestry companies. Drawing from the findings of 1945 and 1958 Royal Commissions under Mr Justice Sloan, four major jurisdictional changes were implemented by Williston (68). These were connected with the location and expansion of sawmills and wood pulp mills; the rearrangement of forest harvest tenures to accommodate the change from small plants to larger horizontally integrated units (generally multinational

corporations); and the arrangements of financing and public works to facilitate the expansion of new plants in the interior and northern forests of the province.

Government policy in 1959 clearly stated that "...mills should be decentralised, located close to the source of wood; the wood areas on the other hand should be set up on a regional sustained-yield basis so that they could support a permanent logging and milling population" (69). Four further changes were implemented to provide the basis of this policy. The first, the Tree Farm Licence (T.F.L) had been allowed by an amendment to the Forest Act in 1947 but never fully implemented to the extent proposed by Williston. Designed as an administrative unit to enable private industry to practise sustained yield forestry, the T.F.L. combined a pattern of private and public ownership under which the Licensee was permitted to use up a quota of standing timber within the T.F.L., and then be granted rights to more when it became necessary for the maintenance and the viability of the operation (70).

The second category of jurisdiction, a Public Sustained Yield Unit (P.S.Y.U.), was an area of publicly owned forest land on which rights to harvest timber were sold to individual operators. The first P.S.Y.U. was formed in 1950; there were 30 by 1953, 58 by 1957, and 78 in 1968. Timber was sold by competitive bidding from both small loggers and large conglomerates, with advantage generally conceded to the latter. This advantage received the attention of the Royal Commission on

forests in 1956, at which it was stated that "...the independent logger, when unfortunate enough to be caught in a crossfire of competitive bidding at a forest sale, is unable to meet the challenge and loses out" (71).

A third category, the Pulpwood Harvesting Area (P.H.A.), was designed for the purpose of encouraging the establishment of a pulp and paper industry in the interior of the province by providing a guaranteed supply of timber within the framework of Williston's sustained yield policy (72). The period of a P.H.A., like the T.F.L. was twenty-one years with renewals available but subject to government scrutiny. During the period of a pulp harvesting licence the licensee was also granted the right to obtain options on pulpwood located in any other Public Sustained Yield areas within a general pulp harvesting area.

The fourth category, a twenty-one year timber sale harvesting licence was developed by Williston for specific occasions when he wished to provide for wood pulp mills and saw log mills in the same region. A special harvesting licence was granted, for example, when two large companies, Cattermole Timber Ltd., and Alexander Forest Products near the new town of MacKenzie were granted operating rights in the same area. The object of the special arrangements was to guarantee both firms a continuous supply of raw materials in areas of overlapping jurisdiction. The licences also differed from other pulpwood harvesting rights in that the companies were given rights to harvest a wider variety and size of timber for both pulp and saw logs (73).

The changes in forest tenure were promoted by the Social Credit government to encourage investment in the forest industry, and to encourage integrated activities, which also eventuated in monopoly and the decline of smaller units (74). It was also aimed at ensuring the elimination of the 'cut-and-run' behaviour imposed on the companies by older licencing and lease tenures which the industry had inherited from 1890 laws (75). By means of further regulations adopted in 1959, Williston restricted growth to the six largest corporations in the province. He stated that "...the government proposed that in development areas consideration would be given only to those applicants who already own 25% or more of the timber in the proposed licence area" (76). This policy meant that B.C. Forest Products, MacMillan and Bloedel, Crown Zellerbach (Powell River), Alaska Pine and Cellulose and Canadian Forest Products, the big six of the timber industry, were the only companies large enough to apply for forest management licences. The object of this arrangement, according to Williston, was to devise a system of sustained yield units of production "...which would lead to more efficient and permanent operations" (77).

With these arrangements the provincial government created a climate which was conceded by the large companies to be ideal for growth and expansion. In 1966 the Minister of Forests claimed that "...a most spectacular growth had occurred in the pulp and paper industry. Today (1966) we have, in addition to

our fourteen existing pulp mills, a total of five new mills under construction and at least five expected to be under construction by 1970. In addition, there are as many as ten other companies in various stages of completion of feasibility studies of pulp mills. Of the fourteen existing pulp mills, five have expansions under way, and six others are considering it" (78). In short, British Columbia, and especially the forestry industry was booming and expanding in accordance with the plans, hopes and policies of Bennett and his government.

As the prime motivator of the forestry policy in the province, Williston considered that his forestry policies were very successful. They were, he claimed in 1969, "...the driving force behind the new instant towns giving the whole industry new stability" (79). The instant towns were equally, if not more, a result of policies derived by the Department of Municipal Affairs, but the underlying thrust given by Williston gave a rationale for their existence.

Williston, like Bennett, did not believe that his policies were leading to foreign control of industry. "Any concern expressed that foreign investment would lead to a take-over of the forest resources was unfounded", he said in 1969 (80). He was sure that the forest tenure system created by the Social Credit government and administered by himself was able to encourage private enterprise, whilst at the same time preventing monopoly control by foreign corporations.

The large timber corporations in the province supported Williston's expansionist policies because they provided an 'appropriate economic climate' and consolidated forest tenures in favour of the monopoly corporations. For instance, an executive of MacMillan and Bloedel, one of the four largest companies in the province, stated in 1962 that "...government must lead the way with policies designed to encourage capital investment in British Columbia, if the province is to obtain the highest use from its forested hinterlands" (81).

Between 1960 and 1970 Williston's policies for expansion intermeshed with the Social Credit financial policies. In 1966 Williston returned from Finland where he had met with officials of the Eurocan pulp and paper company, a Finnish-Canadian consortium, and announced that the company intended to build a new pulp mill near the town of Kitimat in northwest British Columbia (82). In order to accommodate the new prospect in the province, Williston ordered the readjustment of the regional forest tenure system, and the tree farm licences were reallocated to suit the needs of the Eurocan mill. The same form of rearrangement of licence areas was central to a proposal for a kraft pulp mill at the coastal city of Prince Rupert in 1964 (83). In 1967, after visiting Japan with Bennett, Williston arranged for a guaranteed source of pulp wood in the province to enable the Honshu Paper company to build and operate a pulp mill in the southeast of the province. At the same time the Premier assured the Honshu Company that proper

financial arrangements and licence accommodations would be made to support their proposed operations in the province (84).

Both Bennett and Williston promoted the expansion of industry within the province as well as outside. They both aspired to territorial and industrial expansion under provincial sovereignty into the Yukon and the Northwest Territories. Bennett spoke of the territorial claims and Williston championed the opening up of the bounteous northern forest lands. Williston, with the Premier and Attorney General Bonner, attended several development conferences in Alaska where Bennett made his claims to sovereignty over the northern territories. These claims gained much publicity for Bennett's expansionist cause, but he later modified them, and indicated that they were largely for publicity purposes rather than any claims to territory (85). At the same meetings Bonner made several speeches advocating support for a federal government cost sharing programme for new roads in the north. This programme was the 'roads-to-resources' project created by Prime Minister Diefenbaker who at that time was promoting the idea of opening up the north of Canada to further resource exploitation, a dream not unlike Bennett's. Bennett seized the opportunity to take part in the cost sharing programme, and Bonner's speeches were directed accordingly. Williston in turn, supported plans for a series of private power development schemes on the Iskut river in northwest British Columbia. Power from these projects was intended to serve industries in the north including a \$55 million copper

extraction plant for Granduc mines (intended opening date 1968), and other deposits at Galore creek in the Northwest (86).

Like Bennett, Williston supported the Peace river scheme and the Wenner Gren plans in northern British Columbia. In Williston's words "...The Peace river power project was to establish B.C. as an industrial base, secure in its industrial future" (87). As the Minister for Forests, and as the MLA in whose riding the Wenner Gren plans were located, Williston was closely involved with several aspects of the company's operations, including the plans for the north and the financial arrangements for the operations (88). Subsequently he gave strong support to Wenner Gren between 1957 and 1961 when that company was under attack from opposition parties in the provincial legislature and from the press (89).

MINING AND INVESTMENT:
TWO ASPECTS OF THE EXPANSIONIST POLICY.

Bennett's fiscal policies were complemented by a series of technical Natural Resource conferences hosted by the Social Credit government between 1952 and 1972. Although the conferences were not specifically aimed at the preparation of plans for the expanded use of natural resources, many of the participants supported the general principle of expansion and suggested some of the technology and rationale that Bennett required. For instance, scientific papers were presented which investigated the possibility of hydro-dams on the Peace river and an additional series on the Columbia river. Others examined

the potential mineral resources and values of minerals not only in the Rocky Mountain Trench, but in vast territories of northern British Columbia. The resources conferences were as much an implement of expansion as the fiscal policies and should be seen in that light, a light in which they are revealed as part of the input into industrial expansion by the Social Credit government (90).

Thus, the situation and the economic climate were made right for the investments in the mining industry which came into the province in the 1960's. Like the forestry sector the mining industry underwent a boom. Indeed the Premier's promotional and fiscal policies had succeeded in creating a favourable climate and an image attractive for the mining companies as well as for general investors.

The boom of investment in mining had several significant highlights. All the major mining activities in the province, up to the 1950's, had been located within a few miles of tidewater, or within approximately fifty miles of the border with the United States. This was mainly for reasons of high transportation costs outside these zones and also because they tapped high grade deposits which were readily accessible and which therefore, were exploited first. Between the mid-1950's and 1972, major mineral deposits were seriously explored and developed in the province outside the limits mentioned above (91).

There were several reasons for this particular expansion. As was mentioned previously, the province proved attractive for foreign capital investors. As a general rule, capital does not flow to where its prospects are not good; capital goes to those areas where it is best treated, where profits are greatest and where corporate tenure is politically secure. A Japanese mining investor stated the case for British Columbia, by indicating that the province was attractive to his company because it was politically stable. Compared with Latin America, from whence Japanese capital withdrew in the early 1960's, it had favourable legislation for the mining industry, including tax concessions, and it accorded a 'favoured status' to foreign capital (92). An executive of the B.C. & Yukon chamber of mines stated in 1969 that "...the climate for risk capital is better here...than in South America and Africa where many companies are (being) expropriated or discouraged" (93).

The favourable tax position which was offered to investors in mining, meant that capital was attracted and investment took place in increasing volume. Revenues increased and tax returns to government rose accordingly. In 1969 the provincial mining industries paid \$40 million in federal, provincial and municipal taxes. Of this total, \$4 million was provincial mining tax, \$26 million was federal taxes and the balance of \$12 million went to the provincial government and to local communities in British Columbia (94). In addition each mining company was granted a three year tax rebate for each new mine.

Concessions of this calibre not only promoted new mines but also ensured that low grade ores, previously untouched, were brought into production.

In 1951, F.E. Woodside, the manager of the B.C. & Yukon chamber of mines claimed that Canada's northwest was moving into a mining boom that "...would surpass the Klondike days" (95). The chief reason he claimed, was the prevailing high price of base metals. In 1952 Bennett became Premier and later Finance Minister of the province, but it was not until 1961, after a series of 'false starts', that the major boom became apparent. In that year, mining companies launched extensive and expensive search programmes in the resource hinterlands of the province. This search effort expanded with the boom and took full advantage of Bennett's expansionist and fiscal policies (96).

In 1961 the first sales of British Columbia zinc and lead were made to Japan, and from that date the expansion grew to its fullest extent between 1966 and 1968 when the maximum Japanese investments occurred (97). In part, the period of expansion was also attributable to the provincial government's own search for minerals, and its efforts to create an inventory of resources, especially in the northern regions of the province. The provincial government sent mapping expeditions and geological survey teams into the Stikine Valley, the Dease Lake area and the Stikine plateau (98). However, the objective at that time was not to find minerals which would be exploited by the provincial government per se, but to create an inventory as part

of the industrial infrastructure for the activities of the corporations.

MINISTERIAL MINIONS: THE ROLE OF THE PROVINCIAL CABINET.

Throughout the era of industrial expansion in mining and forestry under Bennett, the role of his ministers in the schemes was always substantial in that they were involved in policy making, public education in the matter of policy, and direct and indirect linkages between government and the corporations. According to Kiernan, the Minister of Mines in 1964, "...the exploration for, and development of mineral resources in B.C., was the means by which much of the hinterland of the province was opened up" (99). The rationale for the penetration of the hinterland in this manner was credited to the apparent necessity for creating new wealth, new productivity, new job opportunities and new communities.

The general principles of expansion were advocated on numerous occasions by Bennett himself, and when opportunities were created outside the legislature, ministers gave active support to the Social Credit policies. The role played by Williston, probably the most significant in the cabinet after Bennett, has already been mentioned. One of the more succinct statements of the expansionist policy and its results was made by Skillings, the Minister of Industrial Development, Trade and Commerce in 1969. In the budget debate of 1969 he claimed that the expansion of resource extraction in the province was due to

the foresight and planning of his government. He stated that "...much of the outstanding growth of the economy...was made possible because government had the foresight to plan the basic infrastructure of transport, hydro-electricity and educational facilities...to set the stage for the subsequent expansion of the free enterprise system" (100).

Further supportive evidence for the existence of an expansionist policy was laid out in retrospect by Richter, the Minister of Mines in 1969. He suggested that the principles of the government's policy were:

"...that given the natural resource base of the province's economy, and given that access had to be obtained to resources so they could be sold on a world market, the government had to build a highway system, then a railway...into the very heart of the resources to take them to market, for without such an infrastructure the B.C. economy would be dead, and the resources lying idle in the hills (101).

The construction of the highway network under Social Credit's policy was carried out by Gaglardi, the Minister of Highways. The work of this particular minister earned for the government the title of "...the black-top highway government", a title which was matched by Bennett's own desire to be recognised as the Premier who gave the province bridges, railways, and black-top roads (102). Under Gaglardi, and other ministers of that department, the social credit government constructed a total of 7,925 miles of new highway between 1952 and 1969 (103). Highways were Gaglardi's signal contribution to the creation of an infrastructure, an infrastructure which facilitated the

penetration of the resource frontier in the hinterland. As Kiernan, the Minister of Mines in 1969 stated, "...a network of good highways, linking all the major areas of the province, is not only desirable, it is well nigh indispensable from an industrial development standpoint" (104).

The enactment of public policy and the education of the public as to the nature of the policy were not the only parts played by the ministers. They also became involved with private enterprise operations of their own making or were invited to join boards of directors of companies. Gaglardi for instance, was associated with land transactions connected with the development of highways. Sommers, a Minister of Forests, became involved with several forestry operations in the province, the nature of which eventuated in a conflict of interest situation, resulting in his leaving the cabinet (105). Gunderson, once the Minister of Finance in Bennett's government, was also a member of several boards of directors of resource companies in B.C., including the Wenner Gren company (supra).

Bennett was a wealthy hardware businessman in the city of Kelowna. Given his background of small business interests several of the government's policies proved somewhat anomalous. Instance the actions of the cabinet members, and indeed of the whole government, which as a general rule supported a small business ethic whilst at the same time promoting the expansion and domination of large and multinational corporations at the expense of smaller units, particularly in the forest logging

industry. While this policy was an apparent contradiction, which was pointed out to the government by opposition parties, the Premier and his ministers saw it as a necessary prerequisite step for the expansion of the large and integrated companies, which became a major part of their plans for the continued expansion of a staples extraction economy in the province.

PROVINCIAL EXPENDITURES IN BRITISH COLUMBIA: 1954 to 1972.

Between 1954 and 1972 the province endeavoured to promote investment by corporations and international financing houses, not only by means of the policies and promotions discussed above, but also through an enlargement of state expenditures in the provincial economy. Unlike governments in the province before him, he increased the amounts of money in the specialized fields of social services and industrial infrastructure. Table 13 shows the details of expenditures and changes implemented between 1954 and 1972. The data indicate that there was a growing socialization of the costs of production in the shape of expanded state expenditures. The total budget estimates between 1955 and 1970 increased by 550%. However within the composition of the total budget several trends were discernable. Government investment in railways, highways and transportation increased by 408% over the 15 year period. The administrative and departmental costs of running the the resource industry support grew by 448%, and general government administrative expenses by 324%. But contrary to the expected image of the expansionist mould of the Bennett government the greatest increases in

expenditure came in education, welfare and hospitals. Here, after spending \$98.52 million in 1955, the government had by 1970 increased this to \$727.73 million, a leap of 738%.

Table XIII: BUDGET ITEMS AND ESTIMATES OF THE MINISTER OF FINANCE, BRITISH COLUMBIA, 1955 to 1970 (106).

	1955		1960		1965		1970	
	\$m	% of annual total	\$m	% of annual total	\$m	% of annual total	\$m	% of annual total
Rail, Highways, Bridges...	43.7	21%	94.86	29%	85.41	22%	178.61	15%
Admin. & services for mines, lands and forests...	9.75	5%	18.67	6%	21.45	5%	43.70	4%
Education, Welfare Hospitals...	98.75	45%	150.07	45%	203.36	51%	727.73	62%
General Government Admin...	37.60	18%	50.12	15%	71.85	18%	121.92	10%
Other Govt. Agencies...	22.42	11%	17.32	5%	13.50	4%	93.54*	9%
		100%		100%		100%		100%
Total Annual Government Budget Estimates...	212.06		313.1		395.59		1,165.5	

*Includes new expenditures for Municipal Affairs Department. \$59.7 million or 5.12% of total budget estimates for 1970.

Similar trends in education and welfare spending were also noticeable in the growth of expenditures in Europe, O.E.C.D, and other advanced capitalist countries in the 1960's. According to Gough the trends could be seen in the growth in spending in "...social services, certain infrastructural items and aid to private industry" (107). Gough also explained that one of the most striking features of the growth:

"...was the extent to which education, health and social security were responsible for the rising share of government expenditure. In the U.K. for instance social services (including housing) expanded continuously from the beginning of the (20th) century, with the exception of the 1930's, and in 1975 accounted for one half of public spending. In the United States they increased from 9% of the GNP in 1955 to 15% in 1969 (108)".

In the European Economic Community countries social expenditures rose as a percentage of private consumption from 1962 to 1970, while in the Netherlands the increase was a similar increase from 22% to 35% in the same period.

Though Social Credit increased expenditures between 1954 and 1972, there still remained a concern that there would be insufficient investment finance to carry out his plans. Accordingly, it was proposed that the province should have its own bank which would help finance his projects and those of industry. In so doing he claimed that eastern Canadian financial institutions were reluctant to invest in British Columbia and a provincial bank would be able to alleviate the limited capital available from the east. At several federal/provincial minister's conferences he outlined his proposal for a provincial bank with the province sharing the capital stock. But the federal government refused to grant the bank a charter and disallowed Bennett's attempt to acquire 25% of the voting shares. However in 1968 a private bank, The Bank of British Columbia, was established in the province, but on terms other than those anticipated by the Premier. In the legislature he stated he was "...most pleased to see this sound,

privately incorporated new financial institution with its head office in Vancouver. The establishment of this bank accentuates the importance of Vancouver as a major financial centre in Canada and in international trade circles" (109). Even so, Bennett was still concerned about the possible parochialism of eastern Canadian banks. At the federal/provincial conference in Ottawa in 1970, he proposed that, in order to achieve a degree of balance in the availability of capital across the country, the major bank, the Bank of Canada, should "...have its board of directors appointed by the governments of each of the five regions of Canada and the government of Canada....In this way", he argued, "...the legitimate aspirations of the various economic regions of Canada would be reflected in fiscal and economic policy" (110). With these changes, in addition to the provision of a provincial bank, Bennett hoped to buttress the province's development and raise Vancouver to a financial status approaching that of Toronto and Montreal (111).

Why was the Premier concerned about banks and the availability of capital when despite competition with other provinces, it seemed there was generally a source of capital available for investment in British Columbia? To put this situation and the expansionist industrial policy into an historical context, it is useful to refer to Naylor's comments on the relationship between merchant finance and industrial finance in Canada. Naylor argues that because of historical connections with the British metropole, Canadian business has been more interested in

merchant finance such as banking, than in financing indigenous Canadian industry. This, Naylor argues, has been a failure of Canadian business which has permitted, and indeed encouraged the influx of foreign investment in industry, especially after World War II (112). In British Columbia Bennett was clearly aware of this particular failing and accordingly encouraged foreign investors in the mining and forestry sectors. In addition he was also aware of the strong hold of the eastern Canadian bankers and their linkages with federal policy makers, and hence was doubly aware of the state of finance and control in British Columbia.

The attempts to establish a provincial bank, and the rising state expenditures between 1955 and 1970, represented a general trend in the extension of the role of the provincial government to include the provision of infrastructure which had previously been absent altogether or had been provided by private enterprise. In British Columbia the provincial government conceded that its investments in roads, railways, and educational and welfare facilities, were a prerequisite to the stimulation of private productive capacity in the province. This was particularly so in the forestry and mining sector where the government endeavoured to attract the attention of the large and multinational corporations operating both from within and from outside Canada.

During the Social Credit period there were three major sources of capital for the resource industries and

infrastructure which grew in the province. These were bonds and external loans obtained by the provincial government; direct foreign investment by resource extraction companies; and Canadian banking institutions, loaning capital from their own sources, or directing and transacting capital flows from interested foreign parties. The combination of all these sources produced a situation in the province whereby the development of industry was dependent upon sources of capital and decision making processes external to the province, either in Toronto/Montr eal or in foreign centres. In addition, the particular form of bond financing and loan capitalization adopted by the provincial government has been considered a form of long term debt for which future generations become responsible (113). This method is generally known as deficit financing and is commonly adopted by other provincial governments in Canada. However the parameters of this discussion, and a paucity of reliable information on public accounts and accounting methods in British Columbia, do not permit a fuller discussion here. The field of public financing and indebtedness in the province is one which, given access to the proper documentation, merits future in-depth study. An attempt is made here in a later chapter, to relate the municipal debt of instant towns in British Columbia, to similar financing techniques employed by the provincial government between 1964 and 1973 (114).

In conclusion, the economic climate in the Bennett period

between 1952 and 1972 was conducive to the expansion of resource extraction industries in the hinterland regions of the province, despite the growth of financial dependence and public and municipal debt. This chapter has endeavoured to point out the need for the evaluation of provincial policies in order to assess their facilitative role (115). In so doing it has been possible to see some of the intricacies of government, financial and corporate linkages in the development of major projects of the type which took place in British Columbia in the 1950's and 1960's. It was within such a network that the new instant resource towns emerged in the 1960's. Without an understanding of this context, in which the government and the corporations played their specific and defined roles it would be difficult to comprehend the circumstances surrounding the socio-economic characteristics, and the longevity and viability of the instant towns discussed in a later chapter.

The following chapter will analyse the specific and specialized role played by the provincial government in the organization of jurisdictions and controls for the new instant towns established for the large resource extraction corporations.

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Chapter Five.

THE ROLE OF GOVERNMENT IN CREATING NEW RESOURCE SETTLEMENTS IN
THE BRITISH COLUMBIA HINTERLAND 1964 to 1972.

Part of the facilitative role of the Bennett government evolved from the promotion of the provincial department of Municipal Affairs as 'new-town maker' between 1964 and 1972. The administrative and legal impetus for new settlements came from the Department of Municipal Affairs and in particular from the minister and several of his senior officials. Following negotiations with resource companies and residents of the company towns in the province, the Minister devised a legal framework for the new settlements in the form of a special section of the Provincial Municipal Act. Section 10A of the Municipal Act of B.C. enabled the provincial government firstly, to engage in an urban renewal programme to remove older company towns and, secondly, to institute a framework to facilitate and control the development of a series of new towns (1). Both the provincial minister and the corporations involved, endeavoured to shape an image of a metropolitan suburban community in the hinterland in an attempt to replace the older model of company towns, and to attract a new kind of workforce. The companies claimed that it was necessary to attract a different workforce, rather than just improve working conditions, because of the high labour turnover and the apparent social instability of many isolated, male-dominated, single-company resource towns.

The provincial Department of Municipal Affairs controlled the shape and extent of settlement growth through a system of

land grants, Letters Patent containing specific directives, and community planning designs and regulations. The result of these devices and regulations was a forging of a new set of metropolis-hinterland relationships between the new instant towns in the province, and the central authority vested in the head offices of companies in Vancouver and other metropolitan centres. This same process also meant that continued liason between the Department of Municipal Affairs and the corporations was necessary for the establishment of new resource towns (2).

Between 1964 and 1972 a total of nine new resource towns were constructed in British Columbia under the new legislation and the direction given by the Department of Municipal Affairs. The entrance of the provincial government into direct liason with resource extraction companies to facilitate a new settlement policy in this manner, came after a continuous history of complete corporate control of resource settlements in the province. Prior to the instant towns legislation of 1964, the settlements attached to resource extraction sites were owned, operated and controlled by the corporations engaged in mining or milling. After 1964 the provincially instituted legislation, which granted self-government to each settlement, removed ownership of the townsites from corporate to local control, and absolved the companies of the responsibility and costs of running their single-enterprise settlements. While this process may have appeared to give local control over the settlements, the provincial government retained a degree of

control over the affairs and financing of the towns, the corporations controlled the *raison d'être* of each settlement, and the costs of running the settlements and providing housing and other infrastructure, became the responsibility of the local citizens and the workforce.

Viewed in the context of the government's attempts to facilitate the growth of monopoly enterprises in the forest and mining industries (*vis-a-vis* Bennett's expansionist policy), the move by Campbell, the Minister of Municipal Affairs, appeared to fit the overall endeavour to maximise the efficiency of monopoly enterprise. But viewed in the context of government taking over what was traditionally a corporate role in the hinterland settlements, the policy was an enigma. However, the efficiency of resource extraction and the high costs and responsibilities of controlling company towns were among the reasons for instituting a major intrusion into what had been previously regarded as 'company territory'. By transferring the social overhead costs of resource extraction from companies to workers, the Social Credit government clearly undertook a further and more specific role within its overall expansionist policy (3). Indeed, the legislation of 1964 provided a formula for more efficient government-company cooperation as well as a maximisation of the efficiency of corporations within the province. The settlement policy arising from the instant towns legislation in 1964, evolved within the historical context of a changing relationship between the government and the resource

extraction companies in British Columbia.

HISTORICAL CONTEXT OF COMPANY TOWNS IN BRITISH COLUMBIA.

Until 1964 the building of company owned towns and villages next to resource extraction sites had been the usual method of providing accommodation for British Columbian mine and mill works (4). Some of these settlements died when the companies left, others survived to become incorporated cities. Innis, for instance, mentions that settlements were created for mining operations in the East Kootenay region of the province near Rossland and Trail in the 1890's. These two communities later evolved into permanent settlements and were incorporated as cities in 1897 and 1901 respectively (5). The discovery of lead ore in the Slocan district led to the creation of Slocan which was incorporated in 1891 (6). Coal mining provided the *raison d'etre* for most company towns in the province in the late nineteenth and early twentieth centuries. The town of Fernie was incorporated in 1904, whereas the two coal mining villages in the Crow's Nest Pass area, Natal and Michel, although started in 1897, were not incorporated until 1960. Coal had been discovered in the Crow's Nest region in 1873. Coal was mined at Michel and the houses were rented to miners by the company. As the colliery grew, the Crow's Nest Pass Company expanded the settlement at Michel but, in 1907, when there was little space left, the company sold lots to workers at the nearby site of Natal. When these two areas were settled the strip between the two villages, which came to be called Middletown, was the site

for expansion. (Natal and Michel were removed under an urban renewal programme in 1968 and replaced by the new town of Sparwood). Mining towns were also incorporated at Greenwood in 1897 to serve the heavy metal mining industry in the West Kootenays, and at Ladysmith in 1904 to serve several coal mines on the east coast of Vancouver Island. Another company town, Cumberland, incorporated in 1898, served the coal mining industry on east Vancouver Island (7).

The establishment of a pulp and paper industry in British Columbia after 1915 produced a number of company towns attached to pulp mills. With few exceptions the paper mill company towns remained in service for longer periods than the mining towns built in the early part of this century. Paper mill towns, such as Powell River, Port Alice, and Ocean Falls, were built between 1915 and 1930 by British Columbia companies. Powell River was not incorporated until 1955 and Port Alice only became incorporated in 1965 after the building of a new town and the abandonment of the old company town. There were numerous other company settlements in the province, all established for one specific purpose - to serve the resource extraction industry and the company which built them. Many, like Bralorne, Britannia Beach or Fraser Mills, disappeared along with their parent company, or dissolved when substitute settlements were created, or when timber sources dried up or mines or mills were abandoned or temporarily closed down (8).

Until 1964 the company towns in the province were a

vital element of the industrial landscape in British Columbia. Prior to the 1964 legislation, they existed outside the municipal laws applied to other urban settlements. Attempts had been made, in 1919 and 1948, to penetrate the overall control maintained by the companies over their towns, but little was attempted in terms of changing the ownership of the settlement or altering the ownership of the means of production by large corporate bodies (9). The meaning and the impact of corporate ownership in the company towns was by no means insignificant or immeasurable. The companies, for instance, exercised ownership and control over land, housing, recreation, plant, and all assets and facilities of the community including hotels, hospitals, golf courses, churches and movie theatres. Walker, a major contributor to company town literature in Canada, remarked in 1953 in his seminal work on single enterprise communities, that the corporations in all of Canada's company towns exercised a great deal of influence over workers' settlements, communities and resource operations, by virtue of the ownership characteristics common to each (10). He claimed that because each town existed outside the set of laws defined for urban areas in Canada, the residents of company towns were effectively disenfranchised by virtue of the fact that the company owned all land and estate in the settlements. Moreover, company paternalism and company ownership of the means of production and control over levels of production meant that the companies could exert a great deal of direct and indirect power locally - which they did (11).

The Company Town Acts of 1919 and 1948, as mentioned above, did not attempt to change ownership patterns, rather their purpose was to increase public access to company-owned settlements. The Acts were also concerned with establishing the right of access for the general public to company-owned wharves and roads, as well as freedom to move through settlements on company-owned streets. According to Walker, "The Act was thought to be necessary in the days when government officials, union organisers, travelling salesmen and others were informed that they could not land on the company wharves or they would be trespassing on private property "(12).

According to The Honourable T.D. Patullo, Lands Minister in the Brewster Liberal government in 1919:

"...the Companies exercised autocratic powers in the way of administration, the allowing or refusing of entry to persons other than those they (were) willing to admit, and while at such centres there (were)...facilities provided by the province, and other public facilities, the towns (were) wholly controlled and governed by the companies"(13).

Accordingly, Patullo proposed a bill which required that all companies register a plan with the government, outlining the streets, lots and subdivisions in their town sites. By such means Patullo hoped to facilitate the expansion of "outside interests in the business of the town"; and to convey to the province a one quarter interest in the town lots.

However, between the first introduction of Patullo's bill and the second reading in 1919, the owners of company

settlements objected to the plans which involved the government taking 25% of their land within the townsites. Attorney General Farris expressed doubt in the legislature that the province could take a quarter of the company's lands because the settlements were not considered as legally designated townsites under the meaning of the Lands Act (14). The Bill, as finally revised in the second reading, also indicated that even though public access was guaranteed to streets in company town sites, the company could reserve the power "to close such streets whenever the land was required for the purposes of the company"(15). According to Hawthornthwaite, the Socialist member for Newcastle, the Bill did not change the ultimate and absolute control of the companies. The Bill, he thought, "...gave little more than the right to the public to walk the streets, but workers could not hold meetings in the towns"(16).

A further bill aimed at revamping company town administration and corporate control was introduced by an opposition member in 1937. Cameron, the CCF member for Comox, attempted to change company control by changing:

"...all employees living in company towns and camps into tenants of the employer with all the usual rights and privileges of tenants. The new Act, Cameron told the House, was designed to protect the rights of working men in such places as logging camps where they did not enjoy the rights of other people, and whose contacts with the outside world were entirely at the whim of the company"(17).

The Bill was defeated in 1937 but was reintroduced annually by the CCF opposition until 1946.

The debates surrounding the introduction of the CCF Bills regarding changes in company towns clearly portended the eventual introduction by the government, in 1964, of legislation related to the issues of ownership, control and enfranchisement. Criticism of company control in resource settlements focussed on those three main issues. In 1938 J.S. Woodsworth, one of the founders of the CCF:

"...denounced the 'company towns' in B.C. where he said, "there is no economic freedom, and political and religious freedom have become a sham", and then asked, "Did it ever occur to you that after all B.C. and for that matter, Canada, is a vast company town? We have enormous resources, nearly all operated by great corporations..." (18).

Cameron, a CCF opposition member in 1942, stated in the legislature that he wished "to have the rights of private property interfered with in the interests of public welfare" (19). Winch, the leader of the opposition, stated in the same debate that "the principle of companies controlling roads and sidewalks in company towns was fascist" (20). Again in debates in the legislature in 1944 the CCF opposition attempted to have the coalition government implement other changes recommended by the post-war rehabilitation council concerning company towns. The council in its findings had recommended legislation to open company towns to individuals other than employees of companies, and to place company communities on a basis similar to other communities (21).

However, the coalition government of Premier Hart was not

responsive to such arguments, and appeals regarding the private territories of the corporations in the province were dismissed. Gargrave, another CCF member, claimed in a strongly worded objection that through the control of private property rights, the companies maintained dictatorships in company towns. Furthermore, there was "...a feeling on the part of people in company towns that the power of the company to rule their lives, both on and off the job", was the "very negation of democracy" (22). The CCF received support for these views from the labour unions in the province. Members of the International Brotherhood of Pulp, Sulphide and Paper Mill Workers at Port Mellon, for instance, went on record in favour of abolishing company towns and passed a resolution commending Gargrave for his efforts to introduce legislation abolishing company towns (23).

SOCIAL CREDIT POLICY IN BRITISH COLUMBIA.

By the time the Social Credit government under Bennett came into power in 1952, the legislation relating to company owned resource settlements had been modified by the introduction in 1948 of new company town regulations. However, the modifications were not especially significant because they were restricted to merely giving further access to company towns. The ownership and control of settlements and land by companies, remained unaltered. Between 1954 and 1959 no attempts were made to alter the status of resource settlements in the province. They remained the domain of what Campbell, the Social Credit MLA

for northern Vancouver Island, called "...the lordly, lord of the manor logging firms" (24). However, there were changes implemented in the resource industries themselves in the 1960's which eventually affected the company owned settlements. Williston and Bennett promoted their expansionist policy between 1954 and 1960, and Williston in particular was responsible for changes in forest tenure and industrial policy which significantly altered the ownership and investment patterns in British Columbia's resource industries. In addition, Bonner's Roads-to-Resources programme, and a new principle of resource management called Multiple Use Policy, meant that government intervention in what were traditionally corporate affairs was at least becoming more prevalent, if not more acceptable to industry.

The provincial government under the impetus of MLA Dan Campbell, who was made Minister for Municipal Affairs in 1964, wished to rationalise the long-standing jurisdictional conflict that had been occurring in company-owned resource settlements. However the intrusion of government into corporate policy presented several problems which were philosophical as much as they were constitutional. Whether to interfere in corporate affairs or whether to maintain equanimity and let the corporations control their own territories became as much a contradiction as it was a question of philosophy. The problem was resolved in the following manner: private enterprise was the means whereby growth occurred during the expansionist

period. To attract further investments and to maximise the efficiency of the operations of private enterprise, government needed a secure and operational settlements policy to absolve the corporations of the costs and responsibilities in the resource towns of the province. Thus, interference in corporate affairs by attempting to legislate changes in company towns, became not a question of contradiction of philosophy, but one of the articulation of a policy by which the Social Credit government could maximise the efficiency of the operations of private enterprise. The Municipal Affairs Department accordingly developed as a specialised arm of government in the province, whose objective was to facilitate the growth of new settlements in order to provide the accommodation for workers and encourage the multinational corporations which had begun to expand operations in the province in the early 1960's.

THE ROLE OF CAMPBELL AS MINISTER OF MUNICIPAL AFFAIRS-
1962 TO 1972.

As an MLA in the British Columbia legislature, Campbell observed the increasing numbers of multinational companies, the dominance of large foreign companies over vast territories of resources and settlements, and the rough shod character of the unincorporated settlements and company towns of the province. In order to facilitate more effective government control over these circumstances Campbell's department instituted two major revisions of jurisdiction. The first was related to the establishment of a regional district policy to control

unorganised territories outside urban areas and the second was the instant town legislation of 1965. The methods employed by Campbell's department in the initiation of this specialised role of government represented a definitive change in the relationships between big business and the State in the province.

As an MLA in the legislature, as well as after he was made Minister of Municipal Affairs in Bennett's cabinet, Campbell was regularly critical of the role of big companies in the forest industry, of the lack of access to forest lands for the public, and of the 'shacktowns' the companies built for their workers. Indeed he joined with the CCF opposition party in attacking the company-State relationships in the province which the CCF had continually criticised since the introduction of the Cameron bill in 1937. There were several examples of what he called 'corporate manors' in his own riding on Vancouver Island; Campbell commenced his attacks there. He claimed that: "...communities of the riding could not grow without proper access roads", and furthermore, "...access roads were the proper functioning of government, not of private companies (particularly) when they concerned the public" (25). He accordingly suggested that the provincial government should establish regional access commissions which would investigate the costs and feasibility, vis-a-vis the Forest and Lands Acts, of government roads in corporation controlled territories. However, the mining and logging companies owned not the land but

full access rights to specified territory and to resources, and Campbell's proposals involved an alienation of the previously accepted corporate rights in those territories.

In 1964 Campbell claimed in the legislature that the Tree Farm Licence system instituted by Williston was the major reason for the shacktowns associated with resource development in his riding. "Tree farm licences have created shackhouses on Vancouver Island and something should be done about it", he said. He singled out the communities of Kelsey Bay, Sayward and Port Hardy, all centres of large corporate forest activity, "as disgraceful blots on the landscape where people have to live in shacks" (26). At the same time he commented on the strong grip of forest companies over access to forest lands owned by the Crown. He claimed that companies in his riding were hostile to visitors and that the actions of one company in particular, the Elk River Timber Company, which had barred the general public on its roads, "made both the government and the people look stupid" (27). According to Campbell, the area controlled by the Elk River Company had become a fishing and sportsmen's paradise for company officials, and one government game warden had found five company officials fishing on company lands off the road, "...all were Americans and not one with a fishing licence" (28).

Although such fishing escapades were of minor importance, Campbell's use of them as illustrations of corporate dominance in the province was an essential part of his public manoeuvring to implement a modified access and settlement scheme in his

riding. In April 1964, the Municipal Affairs Department launched a study of land use in unorganised areas of northern Vancouver Island. The study was "prompted by a concern over the development of shacktowns in industrial areas associated particularly with the logging industry on Vancouver Island", and its "purpose was to evolve planning standards for such communities" (29). Later in 1964, in company with D. South, his planning officer, he toured several communities in northern Vancouver Island, including Port Alice, Port McNeil and Port Hardy, where he held discussions with townspeople and the companies, concluding that: "...bunkhouse living was not considered satisfactory for the majority of persons in resource towns, and that local government was not possible unless individuals were able to own land and housing" (30).

Local self-government, physical planning and local ownership became the cornerstones of Campbell's new settlements policy for the province. Speaking before the sixteenth British Columbia Natural Resources Conference in September 1965, he outlined his expectations for the new policies: "Industrial payrolls at one-site communities should lead to the creation of multi-purpose communities having an effective balance between residential, commercial and industrial enterprise" (31). This wish for multipurpose towns arising out of one-industry communities was, however, one which could not be realistically fulfilled given the single purpose nature of the forest and mining industries in the province. Indeed the existence of

industrial payrolls at one-industry communities had been the basis of company town operations up to that time. The expansion into multipurpose communities had not taken place within the private monopoly position adopted by industry, and although it was within the purview of the State to wish for multipurpose communities, it was not to the advantage of private corporations to create them. Campbell continued by stating that:

"...the opportunity for local government is very often and perhaps entirely the result of making decisions on the physical and social servicing of the place called 'home', and therefore, in addition to community associations which are often designed to do the job well, we would envision the early incorporation of newly developing resource-oriented communities so that effective local decisions on the physical requirements of the homesite can be made under self-government" (32).

While Campbell argued for local self-government as a panacea for the settlements, there were complaints from the hinterland towns that the right to self-government was not an adequate substitute for the loss of payments the companies had previously been making toward the upkeep of their towns. In Campbell's own words, the act of obtaining self-government was often regarded as "merely an off-loading of the responsibilities from the company" and a transference of the costs of social overhead from the corporations to the workers (33).

In an effort to promote private and worker ownership of land and housing within corporate territories, Campbell intended that a "...concept of open community for acquisitions on-site should be encouraged and (the) developments resulting should be

subject to the existence of an official community plan" (34). However, prior to the acquisition of land by workers, the townsites themselves were ceded to the resource companies either as a Crown grant or for nominal fees. Once the Crown tenure had ceased, the resource companies were free to build the towns and sell or lease housing to workers. The official community plans mentioned by Campbell were prepared by planning organisations in Vancouver or Calgary and then presented by the townsite owners to Campbell's department for approval. By this means, it was hoped that corporate control over the nature, shape and socio-economic milieu of the company towns would be broken. However, the townsite owners, by virtue of the agreements made with the Department of Municipal Affairs, remained the resource companies, and the ownership of housing by workers became less a claim on private property than it was a claim by the companies on the length of stay of the workers in the new townsites.

The government sought to overcome the tendency of companies in the forest industry to promote short tenure occupation of resource frontier areas, by forcing the companies to construct what to all intents and purposes were permanent communities (35). At the 1965 Natural Resources Conference, Campbell said that:

"...either the resource based industry can lead to the creation of desirable living conditions or we must consider that the development is perhaps premature, i.e. the standard of housing in these new communities must be far superior to many of the examples of poor housing and inadequate bunkhouse conditions which can be unfortunately, associated with the historical past" (36).

His reference to prematurity was a reflection on the position his department adopted on the self-sufficiency of regions, in which a resource-based industry was assumed to lead to multi-purpose and multi-enterprise communities, with a degree of permanence exceeding that of many previous company towns in the province. Williston's proposals for Tree Farm Licences, for instance, were expected to overcome the prematurity and impermanence mentioned by Campbell. The principles of Tree Farm Licences, multi-purpose landuse, and tree planting schemes to ensure a permanent supply of lumber, were designed to give the industry a tenure security which would ensure the permanence of settlements.

Both the government and the resource corporations were concerned about the high social overhead costs involved in labour turnover. They wanted a less costly and a more efficient workforce which would serve the expansion of the multinational corporations in the 1960's. The workforce in mine and mill towns in the province, and indeed in most single company towns across Canada, was traditionally adjusted to high turnover rates. Mobility was particularly noticeable in specific groups, especially males between 20 and 30 years of age. In addition, Campbell was concerned about the prospects of community health and at one point in his brief to the 1965 Natural Resources Conference, he stated that the "...stability of the work force in a community is as much concerned with the social and physical developments of the community itself as with

the conditions on the job" (37). Moreover, he assumed the changes his department wished to institute would overcome many of the 'company town antagonisms' which had been noticeable in the past. Antagonisms related to the feeling of being chained to a single employer in a single company town, and certain employer-employee antagonisms would be, he hoped, diluted by the creation of new settlements.

Newspaper editorials in British Columbia supported Campbell and gave credence to the notion that new towns could overcome the social and economic control exercised by large companies. The VICTORIA TIMES, for instance, stated that the measure of security offered by Campbell's plans would attract a new workforce to the hinterlands. Homes of a quality to attract wives and families to a community were assumed to offer a measure of stability for the workforce. The editors claimed that the benefit should be mutual for employers and employees:

"Industry can expect better relations with labour when labour is decently and attractively housed in settlements which guarantee adequate services and where life can take on the colour of modern living with amenities beyond those of a more pioneering age. And the province as a whole will benefit if effective protection is raised against shacktowns" (38).

THE THEORY AND PRACTICE OF CAMPBELL'S SETTLEMENT POLICIES.

Campbell believed that company towns should be replaced by a new settlement type in which self-government and worker ownership of property would resolve the problem of corporate controls. However, in practice the distribution of housing and

the ownership and control of the means of production in new instant towns remained vested in the large resource corporations.

The movement toward developing what came to be called a rational settlement policy in the 1960's, was accompanied by the government's proposals for a regional planning scheme which, as mentioned previously, involved a division of the province into regional administrative districts. The rationale for State intervention in regional and settlement growth was based on the expressed needs of the government to obtain and maintain control over forest policies, mining, and regional development in the province, all of which were aimed at providing a more effective and efficient infrastructure for corporate enterprise and monopoly capital.

These concurrent policies were given a spatial dimension by the Municipal Affairs Department based on a central place formula (39). Regional district boundaries were aligned on an existing school district system but the Municipal Affairs Department attempted to rationalise the location of the instant towns using a central place model. However, the strategy of the model, and the actual deployment of resources bases and settlements within the province, demonstrated that the model could not fit the objectives and the reality of the British Columbia resource frontier in the 1960's.

Before discussing the specific reasons for the inconsistencies in the model in British Columbia it is useful to

look briefly at the application of the same model in other resource frontier areas. Stohr, for instance, has argued that there are five basic elements of urban development strategy which distinguish themselves by the spatial pattern in which they promote urban development throughout a country, and by the effect they have on the country's pattern of regional development:

"(A) new towns or growth poles in peripheral undeveloped regions....; (B) Development of new or intermediate-size towns as growth poles in peripheral logging regions....; (C) Development of satellite towns at intermediate distances from a metropolitan center....; (D) New urban centers at the immediate fringe of major metropolitan centers....; and (E) Downtown urban renewal or 'in-town' new towns" (40).

The strategy which became apparent with the development of new settlements for the resource industries in British Columbia was Model (A), the 'new towns' or 'growth pole' type. The settlements in Model (A), according to Stohr, are developed to open up new areas, not to colonize them, but to incorporate them into a rational or metropolitan economy:

"The settlements usually have little relation to their surrounding areas and are always oriented toward extraction, possibly processing, and exploiting the resources from the mine or mill. Impact on surrounding settlements or indeed upon regional growth beyond single-enterprise company towns is generally limited" (41).

Stohr also pointed out that in the case of the new town at Ciudad Guayana (Venezuela), the central government established a special regional development corporation to facilitate mineral exploitation. The objectives of the programme were entirely

those of national economic growth. Planning and decision making for the new towns was done almost exclusively from the capital, Caracas, with very little regional participation.

In British Columbia, the planning for the new towns in the 1960's was also performed by the government and the corporations in the metropolitan centres of Vancouver and Victoria. Although Campbell recognised that the reason for the settlements was to incorporate new resources frontiers, his department attempted to plan both town facilities and highways on a central place or urban hierarchical scheme. In practice it appears that the companies and the location of the resources such as coal or copper determined the location of the settlements, rather than the model suggested by the provincial government. Campbell's own riding for instance, was conceived as a region in which several new towns would be constructed, and new highway linkages built to connect communities. According to Campbell, a 'tightly controlled waste plan' was necessary for development of the area as an industrial region. A commission was selected in 1964 to pick sites of future communities, suggest schools, secure reserves for campsites, establish zoning, and arrange for building of highways by industry and government (42). Based on a Central Place model, each new settlement was to be fitted into an urban hierarchy in the region in which a level of services would be made available according to the rank position held by each settlement, and according to the distance between settlements of different rank

positions in the hierarchy. However in isolated resource frontier areas where few other settlements were present, the development of new towns met with difficulties because services were either poor or non-existent in some regions, and little or no transportation was available to enable towns to link together to share services. In addition, the existence of Tree Farm Licences at widely dispersed points meant that urban centres could only be created at infrequent intervals.

In 1969 Campbell was asked by his Deputy Minister and by several Chambers of Commerce, to prevent the establishment of a new instant town based in the central Highland Valley area at Logan Lake, because it was too close to other settlements and would not fit their model of settlement layout in the region. Opposition to the new settlement was spearheaded by adjacent service centres (Cache Creek, Merritt, Ashcroft and Kamloops) primarily because the growth of a new town represented a threat to growth in their communities and a loss of potential population. Apellants to the minister:

"urged that existing services be used instead of creating a new township which would need ambulance, fire, garbage disposal, hospital and school services....If the township were disallowed, established communities...would greatly increase in population" (43).

In the plan suggested by the Department of Municipal Affairs, workers would have been required to commute from existing settlements to the mine site. However, as Brown the Deputy Minister pointed out, the resource company was obligated

to pay travelling time to workers, which meant that location by a central place model was less favoured by the mining company (44). The new town was eventually constructed by the Lornex Company at Logan Lake, some 20 miles from the mine site on a small arterial road, and thus the principles of the central place model were disregarded.

Conflict and controversy over the location of service facilities such as schools and hospitals in Campbell's own riding on northern Vancouver Island raised questions in the communities about what functions should be allocated or permitted in each settlement. The government's attempts to allocate settlements in the province within a preconceived framework had not taken into consideration the role of the corporations in placing settlements where it was most convenient and profitable for them. While the Department of Municipal Affairs, attempted to rationalise the spatial aspects of the resource frontier by emphasising that workers should commute, and that planning of new settlements should consider "that housewives like to be in the largest communities they can get into because there are more choices of consumer products and social contacts", the resource companies, with the exception of the Lornex Company (supra), continued to locate the settlements close to new industrial plants (45). This was especially so in Northern Vancouver Island where attempts were made to allocate government functions and facilities in the region, based on a dispersed city hypothesis rather than a Central Place model.

Even so, the inter-community rivalry over the allocation of functions in that area became focused on one central townsite, despite attempts to disperse those functions to several industrial towns in the region (46).

Apart from the difficulties arising from inappropriate models of development, the government's plans for new settlements adjacent to mines and mills proceeded apace in the 1960's. The Minister of Municipal Affairs, was cast in the role of new town maker, but it was the officers of his department who acted out the specialised role of government in the hinterland. As mentioned above, the planning for the settlements was completed in Vancouver and Calgary by government and the resource corporations. Brown, the Deputy Minister, and South, the chief planning officer, conducted negotiations between government and the corporations. Negotiations consisted of discussions regarding the location of new settlements, the construction of access routes, the nature of the financial relationship, and the ownership status to be adopted by the corporation, the new settlement, and the 'new citizens' of each town (47).

Campbell's department also developed specific requirements for each company to fulfill before development could be completed. These requirements were specified under a contract with the company and under Letters Patent for each new settlement. The contracts and Letters Patent were designed to regulate the new relationship between the corporations and

the resources in the province. Given that the Crown land on which the new towns were built was ceded to the companies and taken out of the Tree Farm Licence territory under which it previously operated, the government also found it necessary to regulate and control the existence of the different form of land tenure in what was previously corporate territory.

THE ASSERTION OF GOVERNMENT AND CORPORATE CONTROL OVER NEW
HINTERLAND RESOURCE TOWNS.

The object of government policy was to promote an easy transition from company owned towns to self governed towns. In so doing, the Department of Municipal Affairs acted as a specialised agent and arm of government in facilitating the expansion and growth of a bureaucratic structure to support the new resource industries developed by the multinational corporations. Of the nine new towns developed, only MacKenzie and Granisle became the locus of more than a single enterprise. This situation in which large corporations invested in resource extraction industries in dispersed locations was one which was opposed in theory by the Social Credit government. In practice, it could do little to avoid it, apart from attempting to prevent the development of too widely dispersed resource sites. Since the expansionist policy was aimed at promoting resource extraction in as many sites as possible, Campbell's department could only pay lip-service to the notion of multiple-enterprise communities and central place service towns. Thus the Municipal Affairs Department was reduced to writing

regulations and to policing the internal mechanics of the new towns and, as mentioned above, to negotiating a financial status for each settlement.

The first instant town under the new regulations and controls was Port Alice which became incorporated on June 16th, 1965 (48). Under the new regulations, five residents were required to apply for municipal status to the provincial government. Section 10A of the Municipal Act outlined the action to be taken by government and by the corporations:

"...where in the opinion of the Lieutenant-Governor in Council, it is in the public interest to establish a municipality in conjunction with the development of a natural resource, the Lieutenant-Governor in Council may, by letters patent, incorporate the residents of any area of unorganised territory into a municipality upon the receipt of a petition from at least five owners of land within the area proposed by the municipality" (49).

For the first five years of existence, Port Alice and the other new towns built between 1965 and 1972, were governed by company nominees who became the municipal council. By exerting pressures and manipulating their nominees, each company was able to exert control over the growth and development of the new towns in the initial five years, and as the following quote from the instant town of Port Alice illustrates, often for several years beyond that. The Mayor stated that:

"Rayonier Canada Ltd was ...all but shutting off development within the community.... Mayor Lacey lashed out that the company and its practice of refusing to allow development on land it owns in the village except under stringent restrictive

conditions. The Covenant, which will last until 1983, protects local businesses established under the company's direction before the village was incorporated in 1965....Rayonier still controls 97% of the developable lots within the village and therefore, with its restrictive covenant, still has direct control over the areas future....Anyone who wants to open a business which would compete with a business already established is prevented from doing so by Rayonier's refusal to sell land for that purpose....Nor will the company sell sites to the village itself without the same stringent restrictive covenants....There are restrictive covenants placed on housing allowed to go into the village though it is supposedly an independent incorporated area" (50).

The high level of control exerted by the nominated councils, and the high costs of construction in isolated areas, also resulted in a degree of financial burden for each new town. The letters patent for each settlement gave specific instructions regarding the borrowing policy for each council. The Letters Patent of several councils had the normal 20% limit on urban borrowing suspended at the discretion of the Minister for Municipal Affairs. The new town of Sparwood, for instance, had the 20% of its assets limit on borrowing suspended by the Minister, which meant that with the concurrence of the Inspector of Municipalities (the Deputy Minister) the company dominated councils could borrow and spend amounts beyond the 20% limit of assets. The result of such policies was a high level of debenture indebtedness for the new resource towns compared to all other cities and villages in British Columbia up to 1971 (excluding Vancouver and Victoria). (See Table 14).

Gold River on central Vancouver Island became the second instant town when it was granted a charter in August 1965, while

Table XIV: MUNICIPAL DEBT, DEBT CHARGES, AND DEBENTURE INDEBTEDNESS,
BRITISH COLUMBIA, 1972 (51).

	Date of Incorporation	Population 1972	Long term debt \$	Per Capita Long term debt \$	Annual debt charges \$	Per Capita debt charges \$	Total debenture debt \$	Per Capita debenture debt \$
Fraser Lake	1966(b)	1,292	108,880	84.27	49,710	38.47	277,176	214.53
Tahsis	1970(b)	1,351	8,940	6.61	11,125	8.23	333,940	247.17
Gold River	1965(a)	1,896	981,297	517.56	88,240	46.54	1,552,297	818.72
Sparwood	1966(a)	2,990	749,643	250.77	70,967	23.73	1,635,818	212.64
Mackenzie	1966(a)	2,332	849,757	364.19	94,612	40.57	2,180,973	935.23
Fort Hardy	1966(b)	1,953	274,573	140.59	29,806	15.26	1,437,649	736.12
Port Alice	1965(a)	1,507	632,515	419.71	82,596	54.80	1,083,000	718.64
Kitimat	1953(a)	11,803	4,551,207	385.59	777,144	67.59	5,228,207	442.95
Hudson's Hope	1965(a)	1,741	93,494	53.70	13,772	7.91	235,684	135.37
Grarisle	1971(a)	973	nd	nd	nd	nd	nd	nd
Houston	1957(b)	2,239	311,158	138.97	65,349	29.18	1,246,799	556.85
Trail	190(c)	11,149	939,953	84.30	168,248	15.09	1,618,809	145.19
Lozan Lake	1970(a)	nd	nd	nd	23,059	nd	nd	nd
Dawson Creek	1936(c)	11,885	1,387,437	116.73	266,590	22.43	2,028,437	170.67
Fort St. John	1947(c)	8,264	1,783,663	215.83	283,935	34.35	3,662,253	443.15
Fort Nelson	1971(c)	2,289	263,455	115.09	28,543	12.46	1,034,496	451.94
Gt. Vancouver	1886	1,021,794	240,203,908	235.08	4,561,897	4.46	160,021,748	156.60
Cities (other)	nd	435,464	62,372,883	143.23	nd	nd	108,030,883	248.08
Districts (e)	nd	808,215	124,807,452	154.42	nd	nd	199,409,023	246.72
Towns (e)	nd	59,325	7,933,565	133.73	nd	nd	18,658,778	314.51
Villages (e)	nd	62,917	7,035,786	111.82	nd	nd	14,996,681	238.35

nd = no data; (a) Instant towns constructed by resource companies (Kitimat is included in this category here even though it was not an Instant town); (b) Older settlements granted Instant town status; (c) Older resource based settlements included for simple comparative purposes; (d) NB. The average per capita debenture debt for Instant towns in 1970 was \$542.53 whereas the debt for all others (e) was \$261.91, a difference of \$280.62 or 107%.

still under construction. The five company employees who petitioned the government for municipal status became the first municipal council. Under the same legislation, petitioning for municipal status made available such services as municipal grants, federal works programmes, and other government support from bond issues and debentures (52). In addition to this the right to obtain the services of a government commissioner could be granted should the resource extraction operation adjacent to the settlement cease functioning (53). In Campbell's words, the aim of the legislation for the new settlements was to "...permit pay-as-you-go operation of the municipalities during the development period with all available funds being used to dress up the new communities" (54).

But although the Minister promoted the principle of self-financing for each settlement, the costs of construction were borne by the resource extraction companies. Land was first ceded to the companies, planners were then employed to design towns, contracts were let to build them, including all residential, service and commercial sectors, and homes were finally sold, leased or rented to workers (55). Indeed the financing and operating of each settlement, apart from federal government loans, was almost entirely dependent on the resource company, a factor which firmly entrenched the control and ownership of the settlement in the hands of the company and its management. The extent to which the corporations retained their financial investments in the settlements reinforced the control,

which although modified from the previous ownership pattern in the older company towns, was nonetheless an effective expression of the metropolitan dominance. Furthermore, the extent to which the instant towns were single-company operations in resource extraction industries which were subject to international financial and marketing conditions and changes, meant that the attempts to effect local government control under the Bennett government were effectively undermined (56).

The provincial government, under the impetus of Campbell and the Municipal Affairs Department, declared in 1963 and 1964 that the control of new resource towns and their local government powers should be decentralised from the provincial government and the corporations and "be handed over to local councils" (57). Brown, the Deputy Minister responsible for the enactment of Campbell's policy in the new settlements, declared that the British Columbia philosophy of decentralisation of authority was created to formulate a minimum of interference in local affairs. This, he suggested, constituted a lower level of interference in new resource towns in the 1960's in British Columbia, than that which existed under other provincial law in Canada (58).

Between 1952 and 1972 several other provinces instituted legislation similar to British Columbia's. The province of Quebec, for instance, had both a Mining Village Act and a Mining Towns Act (59). The province of Manitoba had a Local Government

Districts Act which it applied to several single-enterprise communities, and in the province of Alberta the establishment of a new town by Order-in-Council was spelled out by a New Towns Act, as were the mechanisms for organising local government and financing the development of new settlements (60). Local government districts in these above cases were controlled by a resident administrator appointed by the province and not, as in the case of British Columbia, by a local municipal council which, although appointed by the provincial government for the first five years, could later be changed to an elected body. However the local government districts, which were given resident appointed administrators in other provinces, could request advisory committees to assist in local government activities (61).

In the province of Ontario the Municipal Act related to the incorporation of Improvement Districts was applied to several company towns in the 1960's. Similar legislation in Newfoundland under the Local Government Act made for similar provisions, and several ordinances passed by the North West Territories' council enabled the creation of local administrative districts (62). By comparison, the British Columbia government insisted on what it termed true ownership communities with proper local government. Campbell argued that if there was a significant industrial development, and if there were significant numbers of people in an industrial settlement, the principle of the right to vote should be granted on the

basis of the ownership of property in the townsite. He thus negated any possibility of granting a franchise to tenant electors, which would have been possible under the old company town system, without requiring workers to purchase property and become taxpayers supporting a corporate industrial settlement.

By means of the new settlements legislation of the Instant Town Act of 1965, the transfer of ownership of the settlements from companies to citizens was ensured (63). At the same time, this transfer of responsibility was meant to have certain social and political effects in the new communities. Campbell and the resource companies assumed that the transference of control would promote more equitable relationships between management and workers. The companies also wanted to encourage more families to move to and stay in the new towns, and by granting the opportunity to own a house they assumed workers would be attracted (64). They also argued that given the responsibility of ownership and by becoming absorbed in maintaining the equity of their private property, workers would become less transient and less militant. There were, however, other factors which related to the costs of operating and maintaining the social overhead structure of a townsite that the companies wished to pass onto the provincial government and, by means of a local tax base, onto the resident workforce. The transactions aimed at giving the workforce local control and a vote had every appearance of being an endeavour to pass the settlements' costs onto the workforce. One company official

from the Tahsis Corporation at the new town of Gold River stated that "...we are subsidizing the bunkhouse (in the old company towns) to the tune of \$200,000 per year - we would rather pay taxes too" (65). However, in many instances the industrial plants adjacent to the new settlements built between 1964 and 1972 were not included in the area of the municipality and hence were not required to pay municipal taxes to the local townsite. Instead their taxes were paid directly to the provincial government and local settlements lost control over the dispersment of their tax base. This had the effect of increasing the tax burden of settlements and increasing the municipal and household indebtedness of the residents. The new Instant Towns legislation thus contained several contradictions which enabled the transfer of costs of an urban infrastructure from the corporations to the workforce under the guise of creating more equitable relationships between management and workers, and of creating more attractive townsites.

There were other contradictions in the position of both the companies and the provincial government which indicated that the government procedures under the Instant Towns Act were aimed at facilitating the growth and expansion of the corporations in the province's resource industries, rather than simply promoting the enfranchisement of workers and the growth of home ownership as desirable ends in themselves. The first approaches to have company towns removed, for instance, were made by the resource companies to the government and not vice-versa; workers were not

involved in initial approaches to either companies or the provincial government (66). Prior to 1965, companies rented houses at very cheap rates to workers who were the tenants of the company of which they were also employees. Following the disbanding of company towns, workers, in the words of South, the provincial government planning officer, "...became straddled with a mortgage". Thus the costs of providing the physical infrastructure of the industry, in the form of housing, became a function of the workforce rather than of the owners of the industrial plants. This contradiction was rationalised by the companies in a question raised at the initial meetings between the resource companies and the provincial government. The question was "Are we going to have a contented labour force in a suburban type of community in the bush in which workers can own their own homes, or is the answer in the rough and ready camp life of the old company towns?" (67). The answer given was the former, which was to remove the company towns and replace them with what Campbell later called neon light suburbs in the bush.

The response of government to the requests by the corporations to change the nature of the resource settlements was partly based on Campbell's perception of the shack towns, shanty towns, untidy urban areas, and uninhibited squatter areas in the resource frontier areas of the province. However his negative perception of the company towns was influenced by the pressure from the companies to get rid of the old company towns. General policy supporting the move had, for instance, been put

forward by Robinson in 1962 and by Walker in 1952 (68). The minister was also familiar with reports prepared for the Natural Resources Conferences in the province convened by his government since the mid 1950's. A report from the 1958 conference, for instance, stated that:

"Frontier areas...attract, among others, the restless and dissatisfied elements who have become impatient with the conservative norms and the economic social inequalities of older and more settled regions. They are attracted by the newness and rawness of the area - the absence of established customs, vested interests, and long-standing regulations. They feel that in these new areas, they can make their own way, carving out a new life as they see it, without too many restrictions" (69).

By providing a constitutional framework for bringing about changes, the provincial government was convinced that what it was doing was in the interests of both industry and the workforce (70). Thus the extension of provincial controls in the resource hinterlands could be rationalised as a cleaning-up process and an adoption of regulating and controlling devices. Campbell and the corporations were also aware of what they understood to be restless and dissatisfied workers in the frontier regions, which home ownership and citizen control of the local government was designed to overcome. However, as we will see in Chapter 7, dissatisfaction and employer-employee relationships are not always responsive to changes brought about by alterations in the physical living environment, nor in the ownership of property and housing in isolated single enterprise communities.

The next chapter will outline the process whereby planners and architects from the metropolitan centers of western Canada endeavoured to give credence to the physical planning of instant towns in resource frontier regions.

FOOTNOTES

1. British Columbia, Revised Statutes of B.C. 196, Section 10A, MUNICIPAL ACT, Chapter 255, p. 2991. Queen's Printer, Victoria, B.C., 1970. Note that although nine Instant Towns are referred to here, there were other settlements, already in existence prior to the economic boom in the 1960's, which were given Instant Town status. They are not considered in any great detail here because they were not newly planned entities although, for comparative purposes reference is made to them and to other resource based settlements in British Columbia.
2. E.J. Brown, Deputy Minister of Municipal Affairs, Social Credit Government, 1964-1972, personal communication, July 1974.
3. R. Milliband, THE STATE IN CAPITALIST SOCIETY (London: Quartet Books, 1973); J. O'Connor, THE CORPORATIONS AND THE STATE (New York: Harper Colophon, 1974).
4. W.M. Mercer, "Growth of ghost towns: the decline of forest activity in the East Kootenay district and the effect of the growth of ghost towns on the distributing centres of Cranbrook and Fernie"; Submission to the Royal Commission on Forestry, February, 1944, Victoria, B.C. (Unpublished paper, Special Collections, Legislature Library, Victoria, B.C.); and H.A. Innis, 'Settlement and the Mining Frontier', in CANADIAN FRONTIERS OF SETTLEMENT. Edited by W.A. MacIntosh and W.L. Joerg, (Toronto: MacMillan, 1936), pp. 270-320.
5. British Columbia, MUNICIPAL STATISTICS INCLUDING REGIONAL DISTRICTS, Department of Municipal Affairs, Victoria, B.C., 1970, p. 179.
6. Innis, 1936, OP.CIT., p.278.
7. IBID., P. 283.
8. A more comprehensive listing of settlements could have included Britannia Beach and Fraser Mills but this list is by no means complete, nor is it intended to be so. For a more thorough coverage, see M. Robin, THE RUSH FOR SPOILS: THE COMPANY PROVINCE 1871-1933, (Toronto: McClelland & Stewart, 1972); and Mercer, OP.CIT., 1944.
9. British Columbia, 'An Act to Make Provisions for Access by the Public to Company Towns', B.C. STATUTES COMPANY TOWN REGULATIONS, Chapter 1A, March 1919, pp.47-49; and -----, B.C. STATUTES, COMPANY TOWN REGULATIONS, Chapter 63, Victoria, B.C., 1948, pp. 751-53.

10. Walker, H.W., SINGLE ENTERPRISE COMMUNITIES IN CANADA, A report to Central Mortgage and Housing Corporation by the Institute of Local Government, Queen's University, 1953, p. 3.
11. IBID.
12. Walker, 1953, OP.CIT., p.57.
13. DAILY COLONIST, June 29, 1917, p. 7.
14. DAILY COLONIST, February 27, 1919, p. 9.
15. VICTORIA DAILY TIMES, February 26, 1919, p. 16.
16. DAILY COLONIST, February 27, 1919, p. 9.
17. PROVINCE, November 25, 1937, p. 26.
18. PROVINCE, August 15, 1938, p. 1 & 2.
19. VICTORIA DAILY TIMES, February 11, 1942, p. 18.
20. LOC.CIT.
21. PROVINCE, February 25, 1944, p. 6.
22. VICTORIA DAILY TIMES, February 27, 1944, p. 8.
23. PROVINCE, May 29, 1944, p. 22.
24. VICTORIA COLONIST, October 28, 1959, p. 1, and VICTORIA DAILY TIMES, October 28, 1959, p. 22.
25. VICTORIA DAILY TIMES, February 16, 1961, p. 6.
26. VICTORIA COLONIST, January 25, 1964, p. 1.
27. VICTORIA COLONIST, January 17, 1961, p. 1.
28. LOC.CIT.
29. VICTORIA COLONIST, April 22, 1964, p. 2.
30. D.J. Campbell, Minister of Municipal Affairs, British Columbia, 1965, Interview with the writer, October 2, 1973.
31. D.J. Campbell, 'Instant Towns', in Proceedings of the British Columbia Natural Resources Conference, Victoria, B.C., 1966, p. 115.
32. IBID, p. 116.

33. Campbell, 1973, OP.CIT., (interview).
34. IBID.
35. VICTORIA DAILY TIMES, April 24, 1964, p. 4.
36. Campbell, 1966, OP.CIT.
37. IBID.
38. VICTORIA DAILY TIMES, April 24, 1964, p. 4.
39. D. South, Chief Planning Officer, Department of Municipal Affairs, British Columbia, 1965. Interview with the writer, July 1974; and J.F. Gilmour, 'The Forest Industry as a Determinant of Settlement in British Columbia, the case for integration through regional planning', (M.S. thesis, University of British Columbia), 1965; E.J. Brown, Deputy Minister of Municipal Affairs, British Columbia, 1965. Interview with the writer, July 1974.
40. W.N. Stohr, INTERURBAN SYSTEMS AND REGIONAL ECONOMIC DEVELOPMENT, (AAG Commission on College Geography Resource Paper #26, 1974), p. 23.
41. IBID, p.24.
42. VICTORIA DAILY TIMES, May 7, 1964, p. 17.
43. PROVINCE, November 13, 1969, p. 17.
44. Brown, 1974, OP.CIT.
45. IBID.
46. E.M.W. Gibson, Personal Communication, Department of Geography, Simon Fraser University, November 1976.
47. South, 1974, OP.CIT.;and Brown, 1974, OP.CIT.
48. British Columbia, MUNICIPAL STATISTICS, 1970, Queen's Printer, Victoria, B.C., p. 181.
49. British Columbia, MUNICIPAL ACT, R.S.B.C., Queen's Printer, Victoria, B.C., 1920, pp. 179-182.
50. VANCOUVER SUN, July 14, 1976, p.4; similar sentiments were expressed by residents in MacKenzie, B.C. - See Trade Union Research Bureau, THE MACKENZIE STORY, Vancouver, B.C., 1974, pp.23-48.

51. Table compiled from British Columbia, Department of Municipal Affairs Annual Report, 1973, p. Z.28; and British Columbia, Department of Municipal Affairs statistics relating to regional and municipal governments in British Columbia, Victoria, B.C., June 1973.
52. W.K. Smith, Deputy Minister of Municipal Affairs, British Columbia, 1972, Letter to the writer, August 31, 1972.
53. PROVINCE, April 21, 1965, np.
54. VANCOUVER SUN, April 27, 1965, np.
55. Lois, Light, 'Instant Utopia', IMPERIAL OIL REVIEW, (June 1969), pp. 22-25; and -----, 'Anatomy of an Instant Town', B.C. MOTORIST, 1971, p. 20.
56. Cf. N.R. Crump, FINAL REPORT - GRANDE CACHE COMMISSION, Alberta, 1973.
57. Brown, 1974, OP.CIT.
58. IBID.
59. A.O. Dufresne, 'Significance of Mining in the Province of Quebec', CANADIAN GEOGRAPHICAL JOURNAL, Vol. LX, (June 1960), p. 201.
60. Noel Dant, 'New Towns in Alberta', Paper presented at EIC Northern Development Conference, Regina, Sask., November 26-26, 1968, p. 5; Alberta Department of Municipal Affairs, Town and Rural Planning Branch, PROCEEDINGS of the 1956 Conference of Canadian Provincial Planning Officials, Edmonton, Alberta, Part 1, January 1957, pp. 80-97.
61. Manitoba, Minister of Municipal Affairs, Letter to the writer dated February 21, 1973; VOTES AND PROCEEDINGS OF THE LEGISLATIVE ASSEMBLY OF MANITOBA, 4th Session, 29th legislature, April 12, 1972; Manitoba, LOCAL GOVERNMENT DISTRICTS ACT, R.S.M., c. 148, S1, AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF LOCAL GOVERNMENT DISTRICTS IN UNORGANIZED TERRITORY AND DISORGANIZED MUNICIPALITIES IN MANITOBA, Queen's Printer, Winnipeg, 1979, pp. 1-20.
62. Walker, OP.CIT., p. 55; Saskatchewan, Minister of Municipal Affairs, Regina, Letter to the writer, February 27, 1973; Saskatchewan, AN ACT TO AMEND THE INDUSTRIAL TOWNS ACT 1968, Regina, March 29, 1968, Queen's Printer, Regina; New Brunswick, Minister of Municipal Affairs, Fredericton, Letter to the writer, March 14, 1973; Newfoundland and Labrador, Minister of Municipal Affairs, St. John's, Personal Communication, March 14, 1973.

63. Campbell, October, 1973, OP.CIT.
64. South, 1974, OP.CIT.
65. IBID.
66. IBID.; Brown, 1974, OP.CIT.
67. South, 1974, OP.CIT.
68. Ira M. Robinson, NEW INDUSTRIAL TOWNS IN CANADA'S RESOURCE FRONTIER, (University of Chicago, Department of Geography Research Paper #73, Chicago, 1962).
69. S. Jamieson, 'The Labour Force: Cultural Factors Affecting Industrial Relations in British Columbia', a paper read before the B.C. Natural Resources Conference, Victoria, B.C., February 1958 (mimeo), pp. 2-3.
70. IBID.

Chapter Six.

PLANNING IN THE HINTERLAND RESOURCE AREAS.

In the previous chapter the specialised role of the Department of Municipal Affairs in facilitating the growth of instant towns for the mining and forest industries of British Columbia was discussed in detail. In this chapter we will discuss the role of town planners and the theories of planning they adopted in their attempts to make resource frontier regions more attractive for a more permanent workforce to accommodate the needs of the resource companies. The objective of town planning in Canadian resource towns, from 1916, when Timiskaming the first planned mining town was built, has been to create suitably attractive urban environments in isolated areas so that an adequate workforce could be housed and maintained adjacent to a resource extraction site (1). The literature describing this objective contains planning models which imply that given the maximum advantage of a correctly planned community, the problems of isolated resource towns, if not overcome entirely, would at least be alleviated. It was to such literature and planning models that the British Columbia government and the architects and engineers who built the new towns in the 1960's turned, seeking a rationale for the replacement of the physical plant of the older company towns with new and carefully planned "model towns".

In 1953, Walker suggested that the emphasis given to planning in resource towns in Canada was based on

"...substantial articulate opinion throughout Canada in favour of town planning" (2). The belief in town planning principles was not, however, confined to Canada, nor were the principles espoused indigenous to Canadian planning. The examples of Saltaire in 1852, Bourneville in 1879, and the British new towns of the 1890's and the 1940's, greatly influenced the climate in favour of town planning in Canada. Robinson suggested in 1962 that some of the English model communities served as examples for Canada's early towns. He explained that:

"Before construction began, it was the custom of many Canadian industrial companies to send their townsite managers and engineers on a tour of similar communities in Great Britain. These tours always included visits to Bourneville, the cocoa manufacturing town created by George Cadbury, and Port Sunlight, the soap manufacturing town founded by Lever" (3).

Walker outlined three further reasons why resource companies, in particular, were especially favourable to planning in resource frontier areas. The first related to the awareness by the large corporations "...of the public relations value of having their industrial operations carried on in a showplace community that favourably impressed customers and visitors" (4). Secondly, he observed that in order to draw prospective employees from southern settled areas of Canada, given the isolation of most resource towns, the companies considered that an attractive physical environment in a planned model town should be offered, as living in a well planned company town site would "...make the employee a happy resident whose contentedness would be reflected in a similar attitude towards his work and his employer" (5).

CANADIAN HERITAGE OF RESOURCE TOWN PLANNING.

In 1907 Sir Wilfred Laurier introduced a Bill in the Canadian House of Commons establishing a special commission to investigate the conservation of natural resources in Canada (6). While the mandate of this commission was sufficiently broad to accommodate diverse problems in Canada's production industries, natural resources, fishing, agriculture, and urban problems, there was one field in particular for which it sought specialised answers to problems. This was the field of resource towns in the many isolated and expanding resource extraction sites throughout Canada. As part of the answer, an advocate of town planning from England, who had become familiar with housing problems and planning in the Garden City movement under Ebenezer Howard, was invited to Canada in 1914 to join the Commission. This was Thomas Adams who, although by no means the first advocate of town planning in Canada, was the first to work with the Commission. The publication of his book, RURAL PLANNING AND DEVELOPMENT, in 1919, provided a significant impetus to the planning and design of company towns in isolated resource areas. It was in this book that Adams especially discussed the planning and the prospects of small mining and industrial towns in northern Ontario and Quebec, concluding that their existence (like that of the instant towns in British Columbia in the 1960's) was entirely dependent on the viability of the local mine or mill (7).

Thus the work of Adams and others who followed, showed that

the solution to frontier community isolation and to resource town problems could be conceived in urban planning terms. They postulated that in order to create a better life for workers, an optimal physical environment had to be provided. The assumptions of a form of physical design determinism became implicit: that given carefully planned circumstances and carefully designed residential arrangements, the problems and socio-economic lot of a workforce in a resource town could be corrected and modified to make company towns into happy and stable communities.

There are numerous examples of this type of planning panacea which prevailed among the architects and town planners anxious to create desirable communities for any resource company operating in isolated areas of Canada. Tulloch, for instance, in commenting in 1965 on the planning of Pinawa, a small Manitoba mining village, claimed that "...a better life is possible, even in brand new subdivisions, if designers are willing to spend a little more time and money creating neighbourhoods to suit the character of a site" (8). Henderson, another planning administrator, illustrated a similar tendency to seek physical design solutions to social problems when he discussed the townsite planning of the Inco settlement at Thompson in northern Manitoba. He stated (in 1954) that the design of Thompson "...represented a greater challenge than the mere extension of an exciting community (for) the creation of an environment conducive to a happy and rewarding community life is

the real measure of success of a new townsite plan"(9). He concluded: "...planning, engineering and administrative skills cannot claim success in such a venture, if the physical form does not take on life and possess a spirit"(10). The objective of these planners was to persuade the provincial government and the companies that town planning of the correct mould could modify human behaviour and help create a more satisfied and permanent workforce for the corporations in the hinterland.

PLANNING FOR PERMANENCE.

A primary consideration of both the provincial government in British Columbia and the resource companies was that the settlement policy they were advocating should provide permanent townsites. Thus town planners, in addition to providing what they considered socially desirable physical environments, were also required to 'plan for permanence' - which practice, in an industry renowned for having a short life span, was difficult to achieve. The body of planning literature in Canada did, however, suggest that it was possible to build permanent resource based settlements. It was somehow believed that good planning - planning for permanence - could negate the instability of the resource base on which the town depended.

Parker, for instance, in his work on planned non-permanence in British Columbia's resource towns, suggested that mobile settlements should be constructed to accommodate the migratory nature of some resource industries. Coal mining towns and oil

towns, he suggested, could be moved from site to site, thus disposing of the problem of abandoned towns, but not, however, disposing of the associated problems derived from the loss of jobs , and the loss of accommodation and housing (11).

Michie also raised the question of permanence in 1961 when he claimed that "...the practice of maintaining new settlements on an insufficient economic base for a long time raised serious criticisms of the wisdom of organising new settlements in marginal areas". The solution, he claimed, was "...more permanent settlement in well planned, nucleated, and economically integrated settlements" (12).

Examples of the failure of the principle of planning for permanence abound in the northern resource frontier regions of Canada. Elliott Lake in northern Ontario, for instance, was constructed in 1954 to facilitate the mining of uranium for export to the United States Atomic Energy Commission. Its physical appearance amounted to what one observer called "...a frontier monument to the architectural theories of Le Corbusier and Frank Lloyd Wright", but its stability amounted to what another called an 'illusion of permanence' based on a short term boom in the demand for uranium (13). In 1965 and 1966 the uranium boom subsided and the illusion of permanence in Elliot Lake disappeared as individual workers, their families and small businessmen lost their livelihoods and their housing when the corporation abandoned further uranium ore production.

In British Columbia the new towns built between 1964 and 1972 were developed with the principle of permanent settlement in mind. However, the permanence of the townsite was still dependent on the stability of the industry, not on the nature or quality of the town planning. Indeed one of the contradictions inherent in the planning of the new resource towns between 1964 and 1972 was derived from the dependence of the communities on the local resource extraction operation. Instead of being responsive to physical planning per se, the longevity of the settlements and the stability of each community was dependent on the viability of commodity production, on sales on an international market, and on decisions made not at the local level, but at the national and international level within highly centralised corporate and government organisations.

The problem of permanence and impermanence, and the question of planning permanent communities also raises a further question of the length of time needed for viable and stable community structures to emerge. However, the time which these structures take to emerge and mature has not been established, and in any case may be irrelevant for the type of resource town discussed here. For instance, the expected life span of mines or even pulp mills is dependent on the vagaries of world markets, the deployment of mobile capital, the establishment of monopolies, and on the rate of extraction of the resource. Thus the settlements are often subject to a fifteen or twenty year life cycle, corresponding to the expected life span of an ore

body, or to the period of capitalisation of a project. These cycles may be shorter or longer depending upon company closure decisions or extraction rates. Instead of a linear model, which implies a continuum of development to maturity, as is suggested by Lucas, a cyclical model seems appropriate (14). In such a model the resource towns are established, grow quickly, and then are terminated to become ghost towns in a manner common to older company towns. Thus the idea of planning for permanence and community stability appears to be enigmatic, given the circumstances of their dependence upon an unstable economic base and a cyclical pattern of investment and capitalisation.

The following editorial from the newspaper of a small British Columbian resource town highlights the contradictions inherent in the notion of 'planning for permanence' and illustrates the response of hinterland resource towns to regional and town planning by the metropolitan forces of government and corporations.

"The legitimate purpose of a corporation under our system is to return a profit from its operations to its shareholders. But there is a growing recognition that corporations have a growing responsibility first and most immediately to their employees, then to the communities which have evolved as a result of their activities. Some corporations have shown that they accept this responsibility, the rest must be forced to do so....The parallel in this area is...where the entire community is dependent upon one industry and one employer. To those who are single and those who are renting company houses the effect of a shut down would be deplorable; to those who are buying homes with the intention of staying permanently it would be disastrous. No one, especially a person who has spent his life or intends to spend his life

working for a company should have hanging over his head the constant fear that he may lose everything through a move made by someone in the interests of pure economic expediency. Nor should those who have made heavy investments in business built to serve the needs of the company's employees live under the same fear" (15).

In addition to planning for permanence, planners sought to provide high levels of individual satisfaction for the workers. In looking at new towns in northern Canada in the 1960's, Lotz expressed concern about the relationships between individual worker satisfaction and the physical design of the community (16). Attempts to plan for satisfaction represent yet another illusory effort to overcome systemic problems of resource towns.

Ideas about the relationship between planning and community impermanence and stability were discussed in a wider framework by Lotz when he suggested in 1971 that the planning and design models derived in southern Canada were disadvantageous for residents of northern towns. This claim was followed up in the work of Matthiasson in northern Manitoba who, like Lotz, identified peculiar social conditions in isolated resource frontier towns which had to be controlled or accommodated in their urban design. He claimed that "...if large numbers of people are to be attracted to these communities, and persuaded to remain, living conditions must be at least equivalent to their expectations of a reasonable standard of living in such a community" (17). In order to meet the quality of living standards, Matthiasson claimed that new towns with conditions very similar to those in southern Canadian towns had to be

constructed to attract and retain a workforce in an isolated area. These plans, as Brody suggested in 1975, were very similar to the plans for isolated resource base settlements conceived by the Canadian federal government during the 1950's and 1960's, in which proposals were made for more permanent residential and military settlements north of the 60th parallel.

Brody also pointed out that the plans conceived by such bodies as the Canadian federal government were an attempt to make the north more like the south, to increase the proportions of white residents in northern settlements, and to make new settlements more permanent (18). In the 1950's the federal government suggested that sufficient numbers of properly qualified personnel could be attracted northwards only if financial rewards were large and the conditions of life there no worse than elsewhere in the country. The government's direct involvement resulted in an attitude which clearly suggested that superior accommodation, good transportation and communications all had to be established immediately in carefully planned permanent settlements. This move, according to Brody, inevitably attracted a group of short-term northerners who moved freely between the north and the south. Because material conditions were thus improved, and movement between north and south made easier, the mobility of an urban middle class workforce was increased. This perceived success did in fact precipitate more short term stays in the northern settlements and a higher labour turnover. This closing of the gap in what

Matthiasson called factors involved in the quality of living, appeared to have compensated for the absence of urban amenities in isolated settlements, and thus resulted in a more firmly entrenched belief in the viability of town planning. This, in turn, was responsible for the production of a plethora of suburban type settlements in out-of-the-way regions of Canada, to which the urban middle class workers described by Brody, migrated in increasing numbers.

The desire to build permanent settlements, to conquer isolated regions, and to bring southern workers with mostly middle class suburban values to northern settlements, had its equivalent in the new towns which were constructed in British Columbia in the 1960's. Yet the planning and building of these new towns took place even after cautionary notes had been issued by planners such as Robinson, who in 1962 stated that:

"...in their desire to avoid the deficiencies of the past, the post-war planners have proceeded on the false assumption that in order to reproduce the living standards of the older more temperate south, it is also necessary to duplicate the southern urban patterns" (19).

Even within the apparently cautionary tones of Robinson, there was still an implicit acceptance of the role of town planning in producing what Matthiasson called a good fit between community and residents, and it is to this point that we will now turn.

Town planners who designed the northern towns in the 1950's and the new industrial towns in British Columbia in the 1960's

planned permanent settlements even though the life expectancy of many resource towns was low (supra). They also assumed that given the optimal physical design, a settlement would develop and operate successfully as a community. This notion can also be seen in the work of Siemens and others who investigated the problems of isolated resource based towns in the north in the late 1960's. Siemens' particular belief in the relationships between the physical plan and community life can be seen in the following quotation: "Experience has shown that the uniqueness of many aspects of the social and physical milieu of far northern communities, rules out any direct application to northern townsites of many southern design concepts" (20). The argument here is the same as Robinson's. An appropriate northern town design would accommodate or even overcome the problems of the unique social and physical milieu of northern communities. Ideas about planning for permanence and new town design had far-reaching implications, the parameters of which were buried deep in the theories and perceptions of town planning, urban design, and even environmental psychology. In the next section we will endeavour to analyse the meaning and the implications of this theory and approach in the new towns of British Columbia.

RESOURCE TOWN PLANNING IN BRITISH COLUMBIA, 1962 to 1972.

Town planning in the new resource towns built between 1962 and 1972 reflected a number of influences, several of which have already been mentioned (supra). Clearly the architects and

planners employed by resource extraction companies were impressed and motivated by the growing number of new town suburban designs created for northern regions of Canada. However, as we will see, the reality of and necessity for the designed approach of the new towns was as much based on pragmatism as it was on any particular theory of urban design. Indeed, the notion of architectural determinism and belief in urban planning and design were widely recognised in North American planning and design schools in the 1960's (21).

The theoretical notion of architectural determinism inherent in the work of Siemens and Matthiasson, was as much a rationale for the planners as it was a post facto justification for a particular plan or design (supra). Moreover the plans and the public acceptance of the principles of new town design became a political tool used by the corporations and the provincial government to rationalise their policies for new resource based settlements. The corporations were content to accept the planning ideas to improve their public image, quite independent of any expected social impact the new towns might have. The provincial government was also content because it could point to the new towns as evidence of a policy in action, and it, like the corporations, was not constrained by the possibility of unresolved social or economic problems resulting from isolation or industrial alienation.

In the period between 1962 and 1972 little questioning of the role or the impact, or even the necessity for town planning

in isolated areas took place. In the words of Ira Robinson, it was assumed that "...the need for planning in these new towns was as great, if not greater than in natural growing areas" (22). The settlements were not constructed to serve any philanthropic or idealistic end, but rather to serve American, Canadian and Japanese industrial enterprise in the wilderness of British Columbia. The assumptions implicit in the notion that carefully designed new towns would alleviate the social and economic conditions and problems experienced in isolated industrial company towns, were thus a rationale for the construction of settlements to serve the expansion of industrial capital in the province.

An understanding of the role of the Department of Municipal Affairs in British Columbia is important to an understanding of the planning process. The Minister for Municipal Affairs for instance, required that all new towns constructed during his period of office should bear the stamp of the planner and architect. At a public meeting held on northern Vancouver Island, where he attempted to promote the principles of new towns and planning, he stated:

"...that the growing community interest in planning has come to its harvest time with the idea of creating self-governing and independent communities in immediate association with new industrial and resource developments in British Columbia" (23).

Campbell was concerned with fulfilling the expansionist policy of the Social Credit government, and the replacement of

company towns with new towns was part of this process. Hence the socio-physical artifacts which symbolise company towns, the company store, company houses, and company hospitals, had to be replaced with new symbols which could not be readily identified with a corporate image or with corporate control (24). He postulated that the artifacts of companies were as much a symbol of corporate control as the institutions themselves, an argument which the town planners readily accepted in their plans for the new settlements. For instance, in the settlement of Port Alice on northern Vancouver Island, an older company town was destroyed by the company and replaced with a new town on a new site - the object being not only to remove an older company town and replace its institutions with different ones, but also to translate a recognisably corporate landscape into a landscape which would be less readily identified with company influence or control, or with the company town image. The company store was replaced with a new town centre incorporating a variety of services; this also accorded with the Minister's policy of vindicating "...the concept of providing an opportunity for multipurpose enterprise" in single industry settlements (25). Company housing, the company hospital and community centre, were in turn replaced by privately owned housing, a government sponsored health centre, and a municipal hall and community sports arena. However, the settlements like Port Alice did not become multi-purpose in the sense of serving more than one basic industry; rather the service sector was simply opened up to private enterprise other than the local resource extraction corporation.

Several other major concerns of the provincial government, which the planning of new towns was designed to alleviate, were outlined by Campbell in 1966 under the general labels of housing, labour problems and community stability. In pointing to what he called the lack of effective community structure associated with resource industries, Campbell reasoned that the 'bunkhouse shacktowns' associated with the industry should be physically replaced with different housing and carefully planned community structures. Likewise the separation of employees from their families in communities, historically associated with the logging and mining industries, was not considered a socially desirable result of resource development, and the new settlements with their concomitant services were meant to attract stable or permanent employees and their families to the hinterland. Similarly, Campbell argued that the instability of the labour force had unfortunate economic results for the resource developer and did not generate any desire on the part of the workers to consider the one-site community as 'home'. Thus 'homes', in the form of individually owned dwellings, were to be created and shaped by the planners to fit the needs of the workforce in 'stable and effective communities'.

Campbell further observed that regional differences in service allocations were partly responsible for the comparative instability of the workforce in isolated resource company towns. Without the services and social and cultural facilities of large centres, he conjectured that workers in the small towns would

continue living in unstable communities. Indeed the regional differential was a factor which Campbell hoped to overcome in the new towns in the resource frontier. He stated in 1966 that:

"...the concentration of a large part of our urban living in the Lower Mainland and Lower Vancouver Island, apart from isolated resource communities, (has) permitted a level of social and cultural activities to flourish (there) without corresponding opportunities for such activities in the hinterland" (26).

Moreover, the manifestations of this concentration were seen to lead toward a type of thinking in the province which resulted in isolationism and parochialism. Hence the programme of change instituted by the provincial Department of Municipal Affairs was aimed not only at providing a new physical entity, but was also part of a regional development policy within the province. Although the vision of government went somewhat beyond the provision of new settlements, the thrust of the policy was inherently limited by virtue of its locus in single enterprise corporate structures based on a resource extraction industry.

The provincial government, in accordance with its overall development policy, exercised stringent controls over the growth, shape and development of the resource town planning through a system of community planning regulations. By such means, Campbell's department was able to establish standardised planning requirements to ensure the maintenance of government control of the settlements. These mechanisms were essential to the government's proposals for removing squatter settlements and

company towns, and for providing municipal government with the necessary growth guidelines. Indeed, the stringency of the regulations conceived by the Department of Municipal Affairs was such that the resource settlements could seek changes and variations in some by-laws only after the permission of the companies and the provincial government had been sought. The following extract from the editorial of a local newspaper in a new resource town illustrates the type and impact of regulations employed by government in that community:

"...it is an example of what can be done to spoil a concept that originally contained a lot of merit....The way it is set up it is still a company town. The company says you must have a shake roof whether you want it or not. It has forbidden such things as boats in carports and exterior clotheslines. The municipal council has adopted the national building code as its standard, but it cannot allow anything the company doesn't want. All building plans must go to the company office for approval"(27).

Such remonstrations in the new towns had their counterparts in municipal government in several communities where, having been given the right to self-government, the councillors found they had to defend their roles against accusations of company controls and government stringencies. The municipal council of Port Alice for example, made public its predicament in the local press by denying that it was subject to the orders of an architect, or that it was under company domination. The mayor stated that ..."This council is subject to nobody, not the company, the architect or anyone else"(28).

The formal reallocation of corporate and government control

over resource towns was also expressed in the provincial government's requirements regarding the location of settlements relative to a mine or mill. Company towns in the Canadian context prior to the 1960's were typically located as close to a mine or mill as possible. The proximity of housing and industry produced an organic community in the sense that industry in the shape of the mine or mill was a constant companion to housing. Thus workers and their families were aware of a corporate and industrial presence at all times; corporate dominance was constantly present in industrial, social and economic terms. The presence of the company was continuously reinforced by the proximity of employer and employee, of community and company, and mine or mill and housing. In the old company town of Port Alice, for instance, the acrid fumes and noise of the pulp mill only 100 metres from housing was a constant and unavoidable reminder of the company's presence.

The provincial Department of Municipal Affairs drew explicit regulations for planners, prescribing the proposed physical relationships of new resource towns to industrial sites. The community plans required that all new settlements be separate from the mine or mill. Instead of being clustered around the pithead or mill, the government required that settlements should be given their own identity with a specific town centre to replace the previous focus on the company and its plant. The new towns were thus located away from the industrial site which, although it did not lessen their dependence on the

primary industry, did remove some of the side effects of physical proximity.

In the process of locating away from the sites, the new towns were at first denied the tax base from the industries. This was later modified in some cases by extending a line from the town to the mill to ensure that the industrial site came under the tax jurisdiction of the town. Even so, certain companies were given special tax concessions under these arrangements. For instance, B.C. Forest Products at Mackenzie was required to pay taxes at a rate not to exceed one-fifth of the maximum rates otherwise permissible under the Municipal Act (29) .

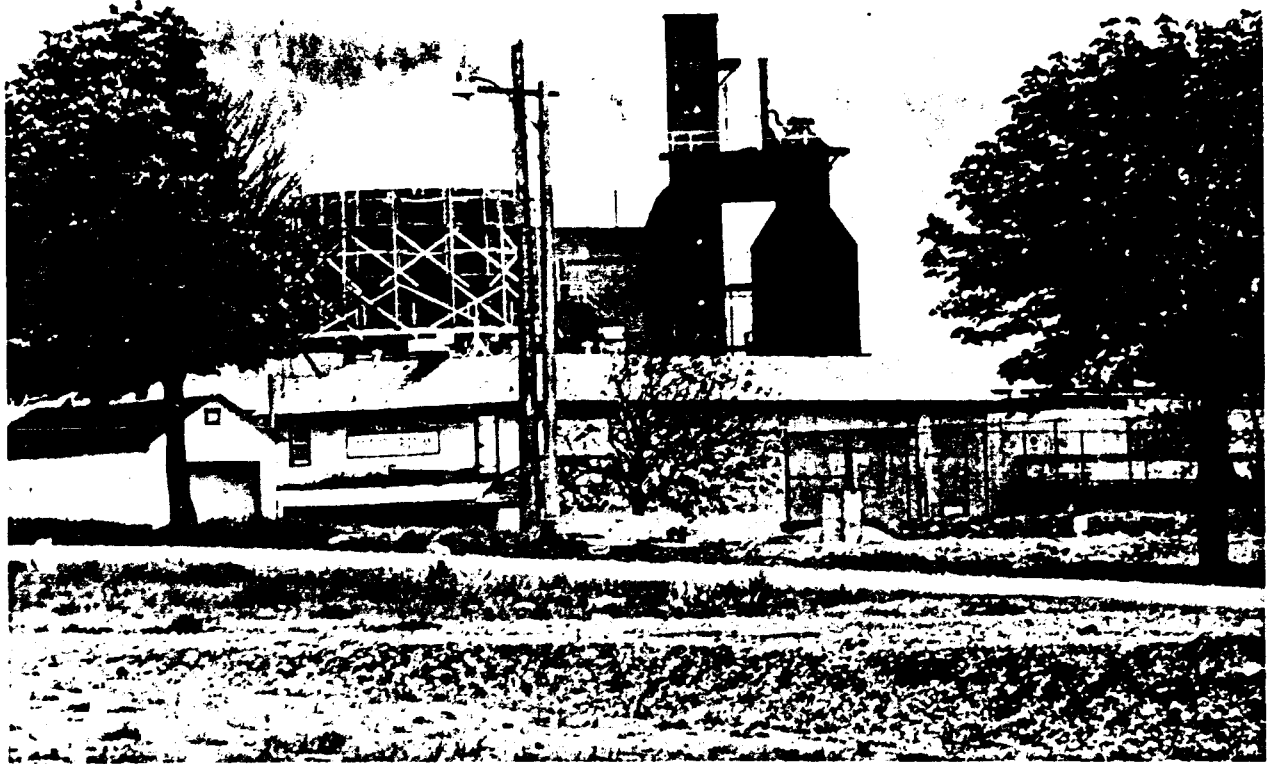
The new town planners also endeavoured to plan settlements with the motor car in mind, which in itself was a tacit recognition of suburban trends , and an attempt to instill a higher level of mobility in settlements where workers in most cases could no longer walk from the mine or mill to home. Settlements were planned in standard suburban designs. Shopping centre concepts and design patterns were imported from large and less isolated urban areas in southern Canada. The shopping mall in the centre of the town, instead of the company store, was designated as the meeting place for residents. The 'main street' concept advocated by the Minister was in most cases avoided by the town planners who preferred instead, the town centre as a shopping mall surrounded by the open spaces of a parking lot.

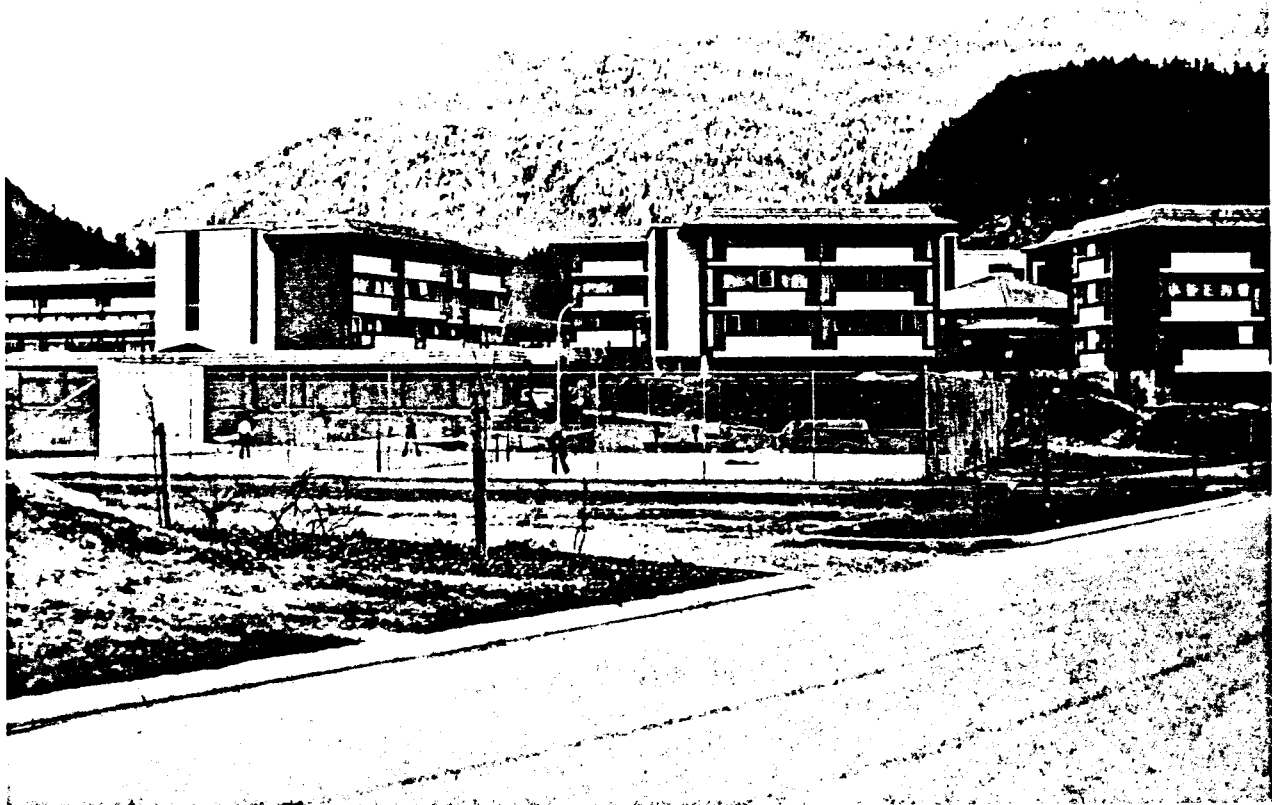
The preplanning of settlements required by the provincial Department of Municipal Affairs under the instant town legislation, was also aimed at preventing haphazard or string urban developments along arterial highways. The internal layout of each settlement was also carefully planned to avoid what the planners perceived as 'the unkempt appearance of older company towns'. Planners assiduously avoided the traditional grid pattern of street layouts common to most resource towns, and replaced it with ... "contemporary curvilinear streets, cul de sacs and avenues" (30). Indeed, the adoption of such physical manifestations of suburbia was a reflection of the influences of the 'neighbourhood principle' current in new urban developments of Canada and the United States in the 1960's. The wholesale adoption of these models was obvious in the physical design of such new industrial towns as Kitimat in northern British Columbia, Thompson in Manitoba, and British Columbia's new towns of the 1960's, as well as many new suburban dormitory settlements in southern Canada and the United States (31). Moreover the evidence from British Columbia suggested that planners not familiar with the circumstances of isolated resource town living in the hinterlands of the province, simply took the physical models of suburbia with which they were familiar and transplanted them to the 'wilderness' (32).

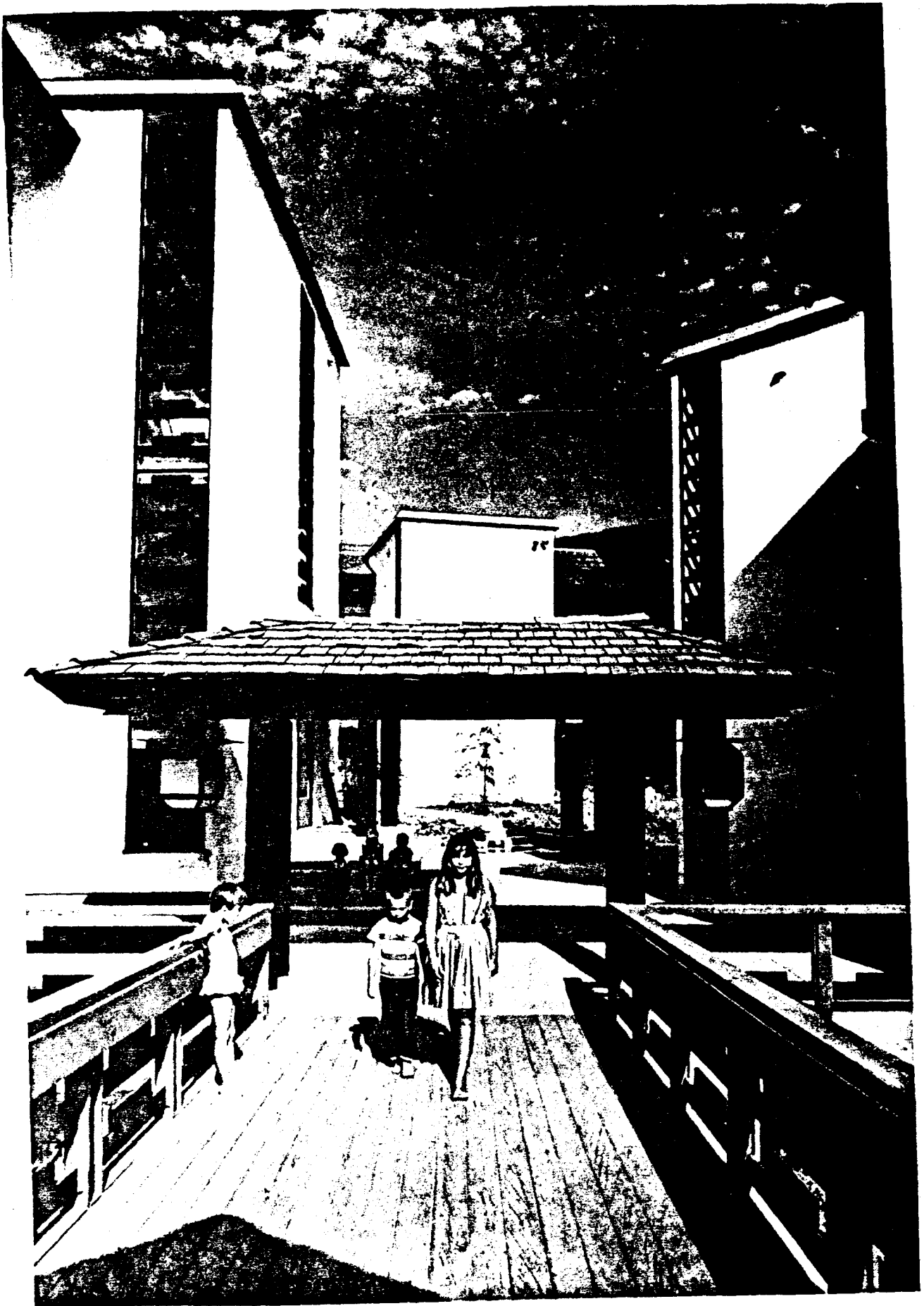
Plate 3 & 4. Pulp mill and plant at Port Alice showing proximity of plant to settlement in the old company town of Port Alice, 1972.

Plate 5 & 6. Instant towns under construction - 5, Logan Lake, B.C.; 6, Gold River, B.C. (1972).

Plate 7. Gold River, B.C. - an instant town constructed for the Tahsis Company on Vancouver Island 1968 (circa).







THE CONTENT AND IMPACT OF REGULATIONS AND CONTROLS.

The overall control of resource settlements built in the period 1962 to 1972 was retained to a great degree by the corporations and the provincial government. As the tools of corporate growth and an expansionist industrial policy, it was desirable that the new settlements remained under such control. Even though each settlement was given its own political independence under the rubric of municipal government, the corporations and the provincial government exercised a degree of control through regulations and planning mechanisms.

Community plans have already been discussed as a tool of control but the primary controls employed by the provincial Department of Municipal Affairs were the Letters Patent for each settlement. According to the Minister, each set of Letters was devised to incorporate a settlement under the Municipal Act of the province, and to specify regulations as seen fit for the circumstances of each company and its new settlement. Thus there was a body of common municipal law devised for all new resource settlements, and a set of variances for special occasions. When the Municipal Act could not be applied, the variances in the Letters enabled each company to come to individual arrangements with the provincial government regarding its relationships with the community and the payments to be made for land, utilities or plant (33).

The Letters Patent of each town contained specific regulations regarding the methods of election of interim

municipal councillors for the first five years. All new Letters Patent stated that "...the term of office of each member of the interim Council shall extend from the date of the Letters until the first elected Council takes office following the first election" (34). Any owner of land could be elected to the first municipal councils, but since only company officials were present, the tendency was for the company to control directly the first five years of each settlement's existence. In the new town of Mackenzie, for instance, full municipal status was not acquired until after 6 1/2 years had passed (instead of the statutory five years), during which time the council was dominated first by company executives and later by a combination of four company officials and three union officials (35). Other new settlements had similar experiences. The Letters Patent granted by the provincial government in 1968 to Mackenzie outlined exceptions to the Municipal Act. One provided for control by government agencies and gave relief from certain taxation to the resource company (36). Another, Section 18 of the Letters Patent provided release from Section 249 of the British Columbia Municipal Act, thus permitting the aggregate debt of the new town to exceed the 20% of the total assessed value of the townsite normally applied under the Municipal Act. This process permitted a higher level of municipal debt to develop in Mackenzie and other new resource towns developed in the 1960's (supra). Table xv shows further details of the differences between the Municipal Act and the Letters Patent introduced in the new town of Mackenzie.

Table XV: SUMMARY OF EXCEPTIONS PROVIDED IN MACKENZIE LETTERS PATENT IN COMPARISON WITH SECTIONS OF B.C. MUNICIPAL ACT (37).

LETTERS PATENT--

B.C. MUNICIPAL ACT--

Section 18

Subsection (1) of Section 249 of the Municipal Act shall not apply until January 1, 1973.

Section 249(1) specified that the

aggregate of debts for municipal purposes other than schools, hospitals and one half of the debt for utilities, should not exceed 20% of the total assessed value for general purposes of taxable land & improvements plus the value of utility systems.

Section 20

Subsection (1) of Section 247 of the M.A. excepted until Jan. 1, 1973, and Council without the assent of owner electors was allowed to borrow unlimited sums of money as required to meet current expenditures of the municipality.

Section 247(1) limits the

liability of a municipality to the amount of revenue for the current year and any accumulated revenue surplus.

Section 21

Clause (e) of Section 251, Sections 531, 560 and 574 of the M.A. which require assent of owner-electors, excepted until December 1, 1972.

Sections 251, 531, 560 and 574

relate to the issuance of debentures, provision of sewers, gas and water distribution & facilities, and transportation & utility distribution franchise respectively. These measures required the assent of owner-electors.

Section 22

Subsection (3) of Section 634 of the Municipal Act excepted (indefinitely).

Section 634 allows a municipality

by by-law to regulate and preserve public health in the public and private provision of sanitary facilities.

Section 23

Clauses (a), (b), and (c) of subsect (1) of Section 427 of the M.A. excepted and the maximum rate of tax imposable under the section not to exceed one-fifth of the maximum rates allowed (indefinitely).

Section 427 allows a municipality

by by-law imposition of an annual business tax not to exceed 10% of the annual rental value of land and improvements occupied for the purpose of business. Clauses (a) (b) and (c) were repealed in 1962

Section 24

Sections 703 and 704 of the M.A. excepted until January 1, 1973.

Sections 703 and 704 require

public hearings on any rezoning by-law before such by-law can be adopted.

Section 25

Sections 639 and 640 and Part 20 of the M.A. excepted until December 31, 1972.

Sections 639 and 640 require that

any municipality with population over 2,500 must make provision for the poor and destitute by granting social assistance; and where possible other welfare measures such as housing and accommodation. Part 20 contains provision for the administration of justice.

Financial arrangements similar to those in Mackenzie were applied in the new town of Sparwood, adjacent to the Kaiser coal operations in south-east British Columbia. There the usual 20% of assets limit on borrowing was suspended "...until such time as the Inspector of Municipalities (the deputy Minister of Municipal Affairs) saw fit to have it reimposed" (38). Although similar regulations were passed for all other new resource towns, the impacts varied, largely because separate companies devised different schemes for financing the development of new settlements. The contracts which were designed by government and the corporations permitted government to make individual financial arrangements for the granting of lands, the payment of utility and service costs, and the servicing of municipal debt (see Table XVI for details of land grants). The individual contract devised for the new town of Logan Lake, for instance, where the municipality purchased water and sewer utilities from the company, indicated that the price to be paid to the Lornex Mining Corporation was to be a total of \$1.00. This procedure was also made part of the regulations of the town in the Letters Patent given it by the provincial government. Subsection 20 of the Letters Patent for Logan Lake stated that "The Council may, by by-law, purchase the water and sewer systems owned by Lornex Mining Corporation Ltd. within the municipality for a purchase price which shall not exceed \$1.00" (39).

Table XVI: EXAMPLES OF LAND GRANTS OF CROWN LANDS TO RESOURCE COMPANIES (40).

Town	Company	District	Year	Acres	Cost (\$) (acre)	Cost (\$) (total)
Logan Lake	Lornex	Range 5 Coast Dist.	1970	87.17	10.00	871.00 (a)
Elkford	Fording	2247 Kootenay	1971	71.52	10.00	715.00 (b)
Granisle	Noranda	1667 Kamloops/ Yale	1972	59.89	10.00	599.00 (c)
Gold River	Tahsis	637 Nootka	1965	623	100.00	62,300 (d)
Mackenzie	Alexander For. Ind.	12463 Morfee Lake	1966	630	10.00	630.00 (e)

Similarly in the town of Granisle, the municipal council was given the option to "...purchase, lease or otherwise, the water and sewer systems within the municipality" (41). However in Port Alice the Letters Patent required that the municipality purchase the water, sewer and street lighting systems for \$115,000, in addition to which the municipality was required to assume "...the liability of Rayonier Canada Ltd. with respect to the excess cost of \$24,000 incurred in the installation of underground wiring..." in the townsite (42).

The official Letters Patent granted to Port Alice in 1965 also demonstrated the method employed by the corporations and the government to ensure a carefully formulated and standardised growth for each new settlement. Subsection 1b of the Letters for Port Alice stated the following with regard to the official community plan:

"The council shall not have the power to make any by-law, regulation, rule, order, or resolution or do any act or take any proceeding contrary to or at variance with the official community plan" (43).

By comparison, Part XXI and subsections 694-99 of the provincial municipal act permitted all non-instant towns in the province to make changes to the official community plan registered with the inspector of municipalities. Under the community plan, strict regulations were made for such physical items in the townsite as the position of fences, the colour of houses, and the type and quality of roof for each building. Citizens were prohibited from any individual expression on the physical structures of housing in the townsite. Similar regulations were created for Mackenzie where restrictions were placed on the location of garden lots and on fences around gardens. Citizens came to regard these controls as an extension of corporate and governmental influence in the new settlements.

The stringent regulations adopted in many of the new resource towns brought negative responses from residents which, in turn, were echoed by local newspaper editors (supra). For instance one editor stated in response to the passing of an anti-litter by-law that "...it is a good by-law but one can only laugh at such a by-law being passed in Port Alice. It seems rather a useless law to be passed in an area which has been contaminated by pollution caused by a pulp mill for over fifty years" (44).

Statements such as these, and others directly related to

the lack of opportunity for residents to bring about changes in local by-laws, or to express their individual preferences on their urban landscape, found their way to the planning section of the Municipal Affairs department in Victoria. The government's planning officer responded in a public speech in which he stated "...that every community must have its 'dog patch'. An area where people, so long as they observe recognised health standards and don't otherwise do harm to anyone else, can live more or less as they wish" (45).

An editorial response to comments by the planning officer, and to the actions of town planners in general in the new settlements, was expressed in a northern Vancouver Island newspaper in 1970:

"Planners are having a wonderful time...laying everything out according to the standards established in well-to-do areas of large cities. This may be all very well in the case of employees of large companies who have houses provided by the company which they buy through monthly payments. Although the people of Port Alice are being slowly bled to death by the cost of maintaining their positions in the cold antiseptic community....Planning is fine, but let's not carry it out to the point where it excludes the very type of person the area badly needs" (46).

Table XVII shows the community plan of the District of Mackenzie incorporated in 1966. The object of the plan was to clarify and direct the precise shape and style of development to be adopted in the townsite. By this means the provincial government gave explicit instructions with regard to the physical relationships between the community and the industrial plant. The

comprehensiveness of the directions given in the official community plan were a reflection of the government's regional development and regional planning policy for single enterprise resource towns. Clearly the object was to control and regulate the settlement and to make it fulfill its designated role as a dormitory town for a large corporate enterprise. Indeed the plan went so far as to specify the town's functions as "...the supporting and residential facility for...all industrial forest processing plants utilising the Findlay sustained yield unit" (47). Thus as a tool of regional and town planning, and an implement of government settlement and resource policy, the official community plans epitomised the relationships between government and corporate enterprises, in which the Social Credit government acted as a stimulator and facilitator of corporate industrial expansion in the province. The new towns were the symbols and the manifestations of this relationship; the community plans were the documentation and the formalisation on the landscape of a regional expansion policy designed to incorporate the needs and requirements of the large corporations which had been invited into the province.

Table XVII: OFFICIAL COMMUNITY PLAN, DISTRICT OF
MACKENZIE, B.C. (48).

"Purpose: the official community plan is intended to serve as a record of landuse and development policies for the information and guidance of private and public agencies and individuals to ensure that administrative decisions concerned with these policies or any refinements or necessary alterations to these policies are made within an appropriate framework and with due regard to over-all objectives and not as ad hoc decisions.

Basic concepts: the official community plan is based generally upon: (a) the objective of establishing all industrial forest processing plants utilising...sustained yield units and the supporting residential and service facilities within one integrated community... (b) prevention of the formation of any haphazard or satellite development in the area contiguous to (the town)... (c) the accommodation, the standards of the District of Mackenzie, of persons and facilities whose relocation may prove necessary or desirable because of the reservoir created, or the establishment of the...sustained yield unit... (d) the suitability of the various parts of the area for different land uses... (e) the achievement of relationships and communications between different classes of land use which will provide an efficient, convenient, and pleasant community for the optimum economic and social benefit of its inhabitants.

The plan seeks to achieve these objectives by setting out a schematic arrangement of land uses which: (a) maintain most of the area as a non-urban area; (b) creates an industrial area for the accommodation of forest industry processing plants and any other basic or secondary industries well separated from residential, servicing facilities, and institutions within the townsite; (c) creates an attractive townsite which will be compact and oriented to a strong central core area containing retail and service commercial facilities, and recreational, social, and educational facilities serving the municipality as a whole; (d) recognises the need for a degree of flexibility so that the social and economic needs of the community can be met as they evolve and specific needs for housing and facilities are manifested".

Clearly the objective of the town planners and architects active in shaping the new towns, was to articulate carefully, in the physical design and shape of each settlement and its housing, the notion of a suburbia in the bush. Such endeavours were intended primarily to act as an attraction for potential workers from larger urban centres, with secondary objectives aimed at removing the physical evidence of the corporate

presence and the transference of the costs of the social infrastructure from the resource companies to the workforce.

In the case of the instant towns built between 1962 and 1972, the aims and values of the planners and architects were quite explicit. Their endeavours to shape the settlements provided clear physical evidence of metropolitan influence in the hinterland resource areas of the province. Each settlement was totally planned and preconceived down to the lot size, house shape, colour, style and design before the workforce arrived, which meant that local and individual input was not possible. With each plan and design went the set of values and attitudes of urban planners, used to the principles of planning for suburban areas. The architects and planners did not attempt to create service centres in keeping with the principles of 'multiple use' advocated by the Minister of Municipal Affairs, neither were they making country towns for rural based communities.

The objectives of the planners were carefully defined in contractual agreements between themselves and the resource companies. The planners in several cases were given general directives for a community development policy in which they were required to articulate a general philosophy of the corporation. One resource company for instance, stated its philosophy as follows:

"The company sponsors recreation and sports, creates good fellowship, bringing together young and old....Management does not limit its responsibility to the production and distribution of goods and services. Its broader scope of leadership involves planning and development of modern settlements, where Canadians can earn well and live happily with a maximum of social and cultural amenities" (49).

A second company instructed its planner "...to project an image of the company. Give it (the town) a sense of permanence and let it be a signal of the importance of the company and a status symbol for the company" (50).

One of the major objectives of both the planners and the corporations was to avoid the possibility of their settlements becoming labelled as company towns. The need to emphasise the break from the company town image was in keeping with the objectives of the resource corporations and the settlements policy outlined by the provincial government. The apparent contradiction was illustrated by the planner of Endako's new town at Fraser Lake. In the Statement-of-Intent the aim was to:

"...select a site for development of a small urban community which will assume an independent political and economic life despite the fact that most of the home owners will be employed by Endako. The concept here was to find a site and build a community which would avoid traditional problems of a company town development, while at the same time ensuring good quality housing and a full range of community facilities in scale with a small town in British Columbia" (51).

CORPORATE HOUSING STRATEGY AND SETTLEMENT PLANNING.

The planning report for the Endako townsite (supra), emphasised the importance of the relationship between private ownership of housing and community stability, which was presumed to result from such ownership. "...Home ownership is the goal to be achieved if possible in order to avoid a company town", the planners emphasised (52). Similarly they proposed a settlement design which they presumed would "...provide an attractive, harmonious and economic community...thereby attracting and retaining a stable firm population (53). The housing strategies based on the relationship between private ownership and settlement permanence were a central part of the plans for all new resource towns in the province. Dissatisfied workers with a bent for industrial strife could, it was argued, be changed into middle class property owners, content to become householders and avoid industrial strife.

Housing strategy in particular, was one area of settlement policy which was open to varying degrees of corporate influence and control. In the first instance the companies or subsidiary contractors built the housing stocks for sale or rent to workers. The resource company, or a nominated agent, was then assigned to rent or sell each unit. The worker could purchase a house directly from the resource company, but if and when the time arose, or when employment ceased, the worker was required, under the terms of a contract, to sell the unit back to the company. In the contract of sale most companies included a

buy-back clause under which the housing stock could be repurchased at a predetermined rate which on occasion included a rate of depreciation sufficient to negate the equity advantage accruing to the owner. By such means, the company was able to retain control of housing stock for a minimum of five years, in a manner not unlike the older company towns (54).

The impact of corporate control in housing necessitates further analysis here, because the implications for planning and the relationship of industry to settlements in the 1960's were especially significant. However, not all companies exhibited the same tendencies, some being intent on retaining some form of control, while others were content to release themselves from such responsibilities. In the northern town of Mackenzie for instance, B.C. Forest Products demonstrated a more stringent measure of housing control. A common provision in the sale agreements in Mackenzie specified that if during the first five years the worker wished to sell his interest, or if he ceased to be employed by the company, then the company had the right to repurchase the house for the amount paid on the principal of the loan, plus the value of improvements. Under such agreements the purchaser obtained no advantage from possible increases in market values of property (55).

The housing policy cited here must be viewed in the context of the overall settlement policy and within the expressed economic role of the new settlements policy. Although the object of the policy was to increase the permanence of

communities by stabilising the workforce, the case of Grande Cache in Alberta illustrated that given the constraints of a single industry base, the degree of stability assumed to be instilled by private ownership could be negated by upsets in the market place, or by changes in government or corporate policy (56).

Similarly, the attempts to stabilise the workforce of the new towns by granting an opportunity to obtain equity in housing were fraught with contradictions. In the town of Port Alice, where previously the Rayonier company had owned all housing, units were sold to workers in an attempt to increase community stability. However, residents expressed doubts about becoming private property owners in what was called a 'corporate colony'. As property owners in a company town there were doubts regarding the length of operations of the company and the security of tenure for the workforce. Other residents stated:

"...that people were afraid of staying too long because after building up to \$5,000 of equity there was little chance of selling a house because no-one could afford to buy into it. The company's proposal for homeownership therefore had advantages and disadvantages; it built up a sense of permanence but workers felt trapped when they felt they could not sell if they wanted to" (57).

Likewise, attempts to increase the stability and length of worker tenure met with related problems in Mackenzie. The statutory provision in the housing buy-back clause instituted in the town read as follows:

"It is further agreed between vendor and purchaser that: (a) if during the first 5 years of this agreement the purchasers wish to sell or otherwise dispose of his interest in the said lands and premises, or if the purchaser (or if more than one purchaser, either of them) ceases to be employed by the vendor or any related or affiliated company, then and in either of such event, the vendor shall have the right to purchase the interest of the purchaser hereunder free and clear of all liens, charges and encumbrances for the consideration and on the terms and conditions provided herein" (58).

This clause was interpreted by homeowners as meaning that ownership was restricted to employees of the company, and once employment had ceased they were required to return the house to the company. Workers suggested that they could be effectively prevented from obtaining title to private property if they were no longer employees of the company, despite the fact that the details of the government Order-in-Council creating the town specified that:

"...in effecting disposition of any part...for single family or multiple dwelling use, or for development of a housing project, disposition shall be effected in a manner such that employment with the company shall not be a requisite to acquire by any person of a dwelling or housing unit within the area involved" (59).

Apparent contraventions of statutes and complications of contractual arrangements between the company and the community led to specific dissatisfactions in the town of Mackenzie which eventuated in a published report from a citizen's groups protesting the action:

"The provincial government, in light of the Mackenzie pattern of "Instant Town" development, should thoroughly review the freedoms land grants and concessions previously granted to private

townsite developers in connection with resource development in remote areas. It should establish policies that provide for the active protection of citizens from the grip of resource companies - the company town syndrome has yet to be challenged in a positive way" (60).

Several other resource companies, in conjunction with the town planners, attempted somewhat different strategies in their attempts to resolve the problems of the company town image in the overall settlements policy. Endako mines at Fraser Lake for instance, assessed several possible strategies, from a consultants report, in the following manner:

"...bearing in mind the wage scale of the prospective occupants (of the new settlement) and the aim of avoiding, as far as possible, the company town, the company considered - rental by the company itself; rental by a third party; direct home ownership; and, Central Mortgage and Housing funds" (61).

Endako's consultant planners concluded that a rental scheme would be disadvantageous and would result in considerable dissatisfaction because "...the development would also become a company town" (62). It was resolved that the best strategy was home ownership by workers which was to be achieved "...in order to produce a more stable community and to avoid the company town", while at the same time:

"...ensuring good quality housing and a full range of community facilities....So as to provide an attractive, harmonious and economic community...attracting a stable firm population...and thereby ensuring a stable community with strong loyalty to living and working in B.C.'s interior" (63).

Conversely, the desire of the corporations for a long term tenure commitment by the workforce could not be equated with the term of commitment registered by each company. The expected life-span of the molybdenum mine operated by Endako mines for instance, was between fifteen and twenty years, depending on costs, market stability, and future contract negotiations. Thus the absence of long term commitments by resource companies contributed to the sense of impermanence and instability inherent in resource extraction enterprises, despite the endeavours to obtain permanence by means of a settlement housing strategy.

Within the specialised construction industry which became associated with new town building in British Columbia, there also existed a near monopoly by one construction firm which became linked with several of the resource extraction companies. This company was Dawson Developments Ltd., a B.C. construction company, which between 1965 and 1971 undertook the contract building of Port Alice, Fraser Lake, Gold River, Granisle, Mackenzie and Sparwood in British Columbia, and Faro in the Yukon. In addition, the president of Dawson Developments became a vice-president of the Kaiser Resource corporation near the new town of Sparwood (64). Inter-corporate linkages and contract agreements of this nature served to reinforce the dominance and control of the metropolitan forces over the hinterland resource communities in the province; they also mitigated against the possibility of the new resource towns

being other than a modified form of the old company towns. Indeed, as the leader of the New Democratic Party in British Columbia suggested in 1970, the provincial government, in conjunction with the large multinational corporations and the construction firms, appeared to be practising a form of northern colonialism. He claimed that "...the companies in conjunction with the government completely dominate and control local politics and all social and economic growth in the community" (65).

A DESIGN FOR SOCIETY.

The plans for the new towns were expected by the planners, the corporations and the provincial government to create new social and living arrangements for resource based settlements. It had been observed that traditional company towns were rigidly stratified on class lines and strongly oriented towards corporate domination of all social and economic activities. The companies in B.C. among other things wished to avoid such dominance and paternalism through the creation of the new towns. They believed tacitly that the answer lay "...in the civilising, colonising effects of family living with its demands for housing, schools and shops which turned camps into bustling centres" (66).

The aim of the new towns, according to one company's publicity material, was to create "...first class urban living conditions for resource workers in isolated areas" (67). Indeed,

as the Minister of Municipal Affairs claimed "...everyone goes first class - chokermen, superintendents, mill managers" (68).

Our major concern at this point is the relationship between planning and the socio-economic milieu of the new towns. In as much as the planners could bring about changes, the evidence indicated that little of this anticipated change occurred, at least so far as could be determined between 1965 and 1972. Indeed, as was stated on several occasions in the new towns, the planners had merely succeeded in creating new forms of company town (69).

In 1962 Robinson, in reflecting on the planning of four new resource towns across Canada, stated that:

"...from the standpoint of concrete accomplishments, planning...must be considered a success. Communities were created which retain the surging vitality of the frontier town, without the sordid shacks, trailer camp accretions, clogged and unpaved streets, or spoiled countryside so often associated with past boom developments" (70).

The same statements could have been made for the new resource towns built in British Columbia in the 1960's. Although the shacks and the squatter settlements had been removed, the trailer camps still remained as mute evidence of the inherent impermanence and the newness of the settlements. The streets of all the new towns were of course paved, but Robinson's allusion to 'the surging vitality of frontier towns' was as much a misnomer for the new planned communities in British Columbia as it was for the company towns of previous years.

For the most part, housing in the new towns was plain and simple with styles ordered and defined according to plans suggested by the Central Mortgage and Housing Corporation in Ottawa (71). Houses were either single family dwellings, apartments or condominiums. In several cases the resource companies duplicated the old principle of bunkhouses, a characteristic of company towns, by building a hotel annex in which single male workers could live. This situation reinforced the company town 'feel' in the new settlements, and served to exacerbate the situation the resource companies were endeavouring to avoid.

Further reinforcement of the basic and underlying character of the company town was implied by the particular relationship of housing quality to social rank which developed within each new community. Even though the plans for houses were usually simple and the styles repetitive in the mould suggested by Central Mortgage and Housing Corporation, there were specific areas and streets in each settlement in which managers and superintendents of the mills or mines were located in houses which reflected their social class position. This was evidenced in a newspaper description in Mackenzie for instance, where:

"...despite strenuous efforts and plans to give it an identity other than that of a dormitory for the mill, the houses mirror in part the pecking order at the plant. Snob hill is a lawned cul-de-sac, part encased by standing timber, which presides over the main residential area....Below snob hill are spread single family dwellings in a descending order of price. Below them, further still and decently hidden from the picture windows of the mill managers, is a dusty trailer park" (72).

Evidence drawn from other new settlements in the province also indicated that despite the planners' attempts to create "egalitarian utopias", and change the "...medieval situation with the mill manager on the top of the hill, company officials just below him, and the worker at the bottom", the segregation into class areas was reinforced and retained in the new resource towns (73).

Indeed, it was inevitable that such attempts to implement social change by the planners should contain contradictions. In the social circumstances of isolated resource towns, as one worker observed, "...whatever happens in the mill is immediately related to the town", which although probably true for most resource based towns or mining communities, is, as we will see, exacerbated by degrees of isolation(74). As a result, social relations derived from the industrial plant are the basis of social order and social class relationships in the community. Inevitably the isolated nature of the resource towns produces a 'closed circuit' social environment with the mill and the town forming one social organic whole (75). In such circumstances, the attempts to shatter the hold of the companies, and to change some of the underlying class relationships in the settlements, could not be achieved by the physical planning techniques adopted by the planners of the resource towns in the 1960's (76).

Corroborative evidence from other northern communities suggested that attempts elsewhere were fraught with similar

contradictions. One attempt at this form of planning in a northern Canadian mining town operated as follows: white collar workers, professionals, management and mill workers were observed to be socially segregated and living in identifiable areas of their communities. In an endeavour to change this situation, a townsite plan was evolved to desegregate the class structure of the community; management and professional housing was accordingly located adjacent to mill workers' houses. However, the planners ignored the fact that class is not dependent upon relative physical location, although location may illustrate or reinforce it. Rather, it is dependent upon a set of relationships derived from the industrial plant, the position of each individual in the mill, and a social rank delineated by education, ethnicity, and social class background. The efforts to overcome class segregation in this manner ignored the basic employer-employee relationships in such communities, and failed to recognise that human behaviour does not necessarily change or modify in response to altered artifacts or the reorganisation of certain spatial arrangements (77).

The relationship between social class and the status and role derived from the plant have far reaching implications which go beyond, and deeper than the attempts to plan new towns to alleviate these situations would suggest. The relationship between class and status in resource towns is discussed more succinctly in Central Mortgage and Housing Corporation's publication on single- enterprise communities, in which the

author observes that:

"Some of the resentment stems from the transference of the plant hierarchical system into the non-industrial life of the townsite. In other words, a stratification which exists between "layers of employees in the plant organisation pyramid is carried across the bridge into the homes of the company employees. Social status in the community responds closely to the position or job held by the employee in the industrial operation....All persons are rigidly classified according to the position of the bread winner with the company....The houses of the various classes of employees may be so arranged as to make the distinctions sharp and stark" (78).

A further contradiction in the design concepts of the planners in British Columbia was reflected in the attempts to create the physical appearance of the new towns in the image of metropolitan suburbs (79). In the new town of Port Alice, the planner attempted to design a suburb which would mould into the west coast forest and still retain a sense of place with which residents could identify (80). In the new town of Mackenzie, planners chose a design which attempted to replicate a suburban area adjacent to a larger centre, with a shopping mall complex in the middle surrounded by grouped housing. In addition, the new towns tended to be mundane in appearance with their physical identity allied to the larger cities rather than the local physical milieu.

According to Robinson, the new resource settlements in the north appeared to be mundane because they looked like any neat and trim suburb found in any metropolitan area. In his opinion, it was "...because there were no existing physical developments

or property to compromise the lack of boldness or freedom of design; or (perhaps it was because) they appeared to be insensitive to their often spectacular setting and special social pattern" (81).

This opinion was borne out by evidence drawn from the new town of Mackenzie where residents expressed similar sentiments with regard to the physical appearance and setting of their settlement (82). This evidence suggested that there was a certain incongruity between the physical appearance of the towns and the surrounding landscape; to an eye which was adjusted to suburbs in the city, they appeared to be out of context. Indeed, the impression left by the physical format of the settlements was one in which there were expectations of more urban milieu and more cultural amenities than were actually present. Thus the planners, in attempting to duplicate the suburbs, raised certain expectations which, because of the very nature and isolated location of the new towns, could not be fulfilled. Moreover, the combination of isolation and the close juxtaposition of town to the bush, rather than town to the city, revealed an incongruity which for some residents of the new towns was a source of stress and concern (83). However, this in no way suggested that this incongruity could be overcome by planners and architects, but merely served to point out that the new towns were indeed physically isolated islands of industrial capitalism, with attachments to larger urban centres. In the next chapter we will look in some detail at the social

manifestations of the processes of planning and corporate and government policy in the resource towns in the hinterlands of British Columbia.

FOOTNOTES.

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75. Cf. statements by the Minister of Municipal Affairs who wished to break the organic whole of plant and community in company towns by physically seperating the two.
76. Field notes and interviews conducted by the writer in Port Alice, B.C. in 1974, Granisle, B.C. in 1973, Sparwood, B.C. in 1974, Elkford, B.C. in 1974, and Logan Lake, B.C. in 1973. A corollary of the planning situation described was evidenced in the new town of Logan Lake where the town planner employed by the Lornex Mining Company stated that '...his town would have its snob hill, its dog patch and its naturally occurring socially segregated areas, with the cheapest housing on lots in the lower class areas and bigger more expensive houses on bigger lots in the upper class areas'. Interview with the writer, July 25, 1974.

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Chapter Seven.

SOCIO-ECONOMIC MANIFESTATIONS AND THE POLITICAL ECONOMY OF
HINTERLAND INSTANT TOWNS.

"... they don't know what it is like to live and work up here, they probably have never heard of our town, let alone know where it is, or what our problems are" (1) (Port Alice resident).

"A cohesive force of top importance in a community grouped around a single resource such as a mine, is the interest of the workers and their families in the enterprise and their loyalty to its aims" (2) (Hon. Dan Campbell).

Clearly the forces leading to the institution of instant towns in the British Columbia hinterland were metropolitan. It was the provincial government that invited and facilitated both the investments and the location of metropolis based companies throughout the Province. This chapter will examine the economic, social, political and demographic structures of the instant towns. Focus will be both on the social structure; on characteristics that appear to be continuations of features identified in the old company towns, and on new features that seem to arise from changes in the nature of the companies involved, and from the creation of a new type of town.

The dominance of British Columbia's hinterland resource towns by the metropolis and a class of corporate owners and managers is evident in the economic relations between the metropolis and the hinterland. The demands of the metropolis in effect define the very nature of life in the hinterland. The social problems so often cited as characteristics of the frontier and resource towns, including high turnover, unbalanced

age structure and sex ratios, all result from the requirements of the metropolitan economy for supplies of raw materials and for places to invest. Indeed, as Castells has suggested, the economic level of operations (in the resource hinterland) influences the social structure of those communities.

"Among the factors which structure social relations and forms of collective life two large elements show up in the foreground of capitalist industrial societies: these are "the big corporations", the economic organisations of production and management which correspond to the concentration of capital and of the means of production, and the "State Apparatus", which increasingly intervenes in the whole of economic and social life and becomes, thereby, a developer of daily life" (3).

Hence if the socio-economic nature of these settlements is to be fully understood, they must be viewed not as isolated sites of industrial growth or merely as company towns, but as parts of a pattern of resource exploitation by corporations operating not only in areas of British Columbia and Canada, but in Latin America and south-east Asia, or wherever resources are profitably exploited.

Across Canada other resource towns exhibit levels of dependency similar to the British Columbia instant towns, in addition to which they have many similar social and economic characteristics. Isolated by virtue of their remote location on a resource extraction site, they have distorted demographic structures, a high turnover of population, unbalanced sex ratios, truncated age structures, and their inhabitants experience a sense of alienation, impermanence and insecurity of

tenure. That the social and economic features of resource towns are so similar comes as no surprise if they are viewed in the context of the dependence of Canadian resource extraction industries on foreign control and metropolitan business decisions. Naylor has argued that:

"Colonial status...cannot be explained by technological or geographic determinism or by comparative advantage, but only by reference to the relative stages of capitalist development achieved by both the metropole and the hinterland. The metropole defines the character and extent of economic development in the hinterland area. Moreover, the structural relations between the colony and the metropole necessarily change as the metropole alters....While the internal dialectics of class and of capital accumulation may determine the nature of metropolitan expansion, the social structure and the structure of capital in the hinterland cannot be regarded as independent of the metropole. On the contrary, internal changes in the metropole are the immediate cause of socio-economic reorganisation in the hinterland" (4).

The implications of the process noted by Naylor can be seen in the socio-economic characteristics that persist in the instant towns despite their new social forms, as well as in new features that have emerged with the change in structural relations between the colony and the metropole (Supra).

SOCIAL STRUCTURE AND CLASS CONFLICT IN THE INSTANT TOWNS.

The class or occupational structure of any area will be determined by the nature of enterprises involved and the work available. The fact that instant towns in British Columbia, like most resource towns, are based around a single industry, has meant that class and occupation are a very important feature

of life. There is no escape from occupational definitions. The hierarchy of the mill or mine becomes the social hierarchy of the town, so that generally management and workers do not mix outside the workplace; nor do teachers and workers.

Marchak, in her study of social conflicts in British Columbia, identified four major social classes. These were briefly: (1) those who control essential resources consisting of wealth and property; (2) the managerial class employed in both private corporations and public governments; (3) workers whose productivity is determined by others and who have no control over industrial wealth, either through ownership or derived responsibility; and (4) the permanently unemployed or marginally employed (5). As primary industrial and processing sites, the new instant towns contained few if any of class one, the owners and controllers of major wealth and property. The absence of this class clearly indicated an important change from the days of company towns when the mill owner was likely to live in the town, to be known to the workers, to supervise the production process and to be visibly in control of his enterprise. As control of the business moved further and further away from the site of extraction, to Vancouver, Toronto, New York or Japan, the likelihood of any contact between the owning class and the workers disappeared. In the instant towns the place of the paternalistic old time company owner has been taken by a class of employees who do not own the means of production but who serve the owners by supervising the

utilisation of capital and labour in the productive process. Clearly there is no place for the capitalist, the industrial entrepreneur and the mercantile-financial entrepreneur in the hinterland resource towns. Their function must be filled in the centres of financial and governmental power. The resource towns thus serve as the receptacles of investment, and are always subject to the controlling interests of the owning, the managerial and the controlling class. The very change from company towns to instant towns was a result of the different objectives of the new owners, the large corporations, who certainly did not want the bother and expense of maintaining a company town. Subordinate to, and the subject of control by an absentee owning class, the new instant towns and all classes in them are divorced from any major decision making or controlling activities. Thus in these circumstances, Marchak's division into four classes can readily be reduced to two, the owning/controlling and absentee class, and the class of non-owners resident in the instant towns.

There are several further class distinctions which must be made regarding the new towns in comparison with the older closed company towns. As company owned property, the closed towns were controlled by the company as rentier, manager and owner. Commercial enterprise was limited to the company owned store or to minimal service enterprises such as entertainment or transport or vehicle servicing. In the new resource towns of the 1960's, the companies mostly retained a rentier function by

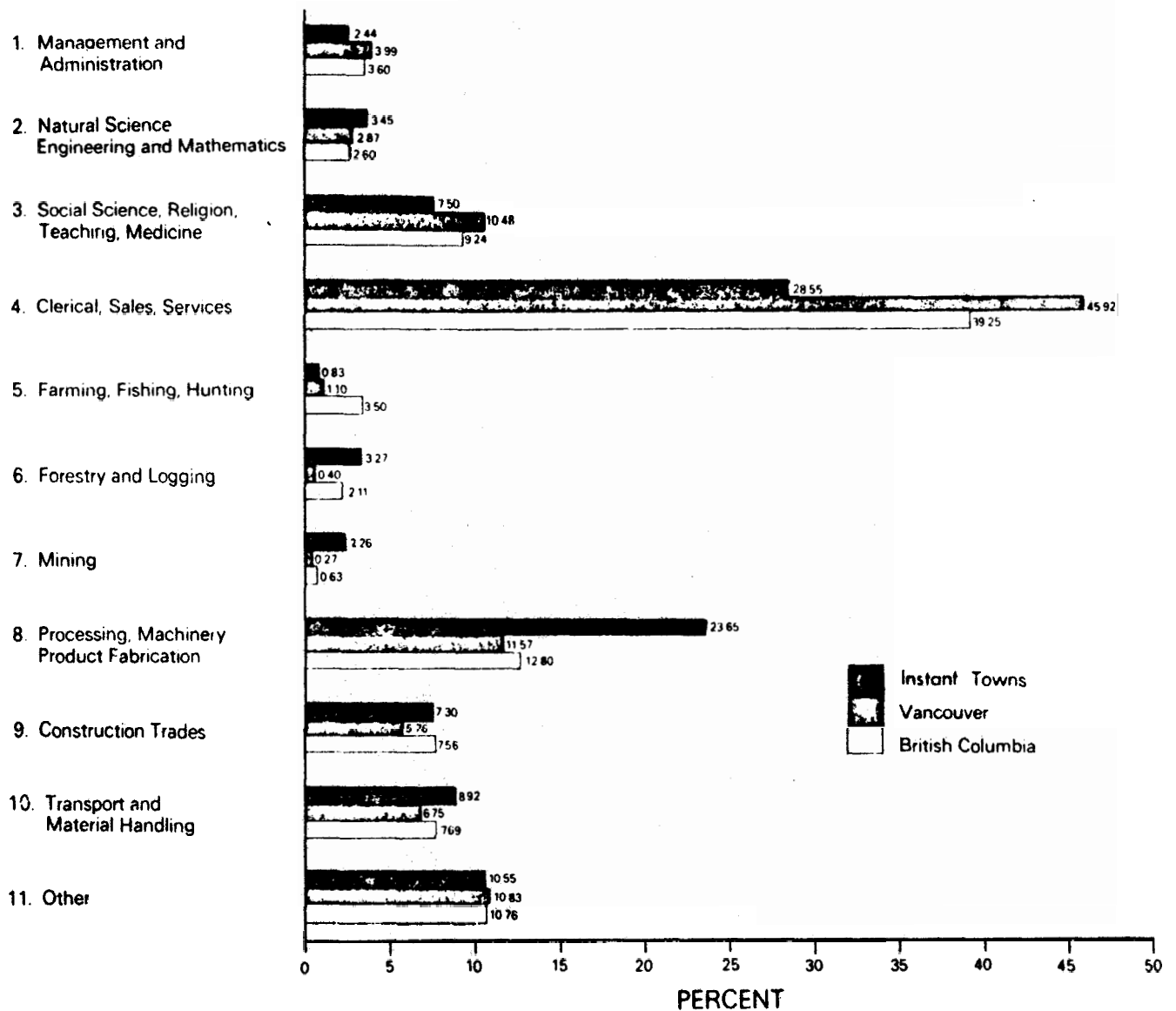
virtue of their control over housing and development. However the introduction of new commercial enterprises in the service sector, often promoted or supported by the resource company, meant that new merchants, banks and commercial enterprises were able to enter the towns.

As a result the class structure of the old company towns, which usually included only workers and management has been modified (6). A group of service occupations now exists, which, while proportionately smaller than the percentage for B.C. as a whole, does comprise 28.55% of the workforce of British Columbia instant towns. (See Table 18). Dependence on the central metropolis for many service and sales functions continues.

The occupational structures reflect the industrial and service requirements of the hinterland. The largest proportion of the population are, naturally, the workers with the skills required for the local industry. Women, for instance, unless specifically trained for industrial jobs, have few opportunities for employment. Mining, forestry, logging, processing and fabricating are essentially male dominated.

The change from company to instant town not only resulted from and reflected ownership changes, with accompanying philosophical changes, but it also brought local government to the residents of such towns. Municipal councils now exist in the instant towns whereas, previously, they did not. Not surprisingly, however, company dominance continues via

Table XVIII: Occupational class structures, British Columbia 1971



representation on instant town councils across B.C., where company management and supervisors represent 28% of councillors and mayors.

Table XIX: OCCUPATION DIVISIONS IN EIGHT INSTANT TOWN COUNCILS IN BRITISH COLUMBIA (7).

Occupation/Class	Mayors	%	Councillors	%	Total	%
Company mgmt./supervis.	6	28	31	29	37	28
Company employee	3	13	30	28	33	25
Business/propr.	10	45	20	19	31	24
Services employee	-	-	7	6	7	5
Housewife	-	-	7	6	7	5
Teacher	3	14	6	5	9	7
Other	-	-	8	7	8	6
Totals	22	100.00	110	100.00	132	100.0

Table XIX shows the occupations of mayors and councillors. The growth of local business groups has meant that business proprietors have formed a sizeable percentage of the councillors. Business proprietors also form the dominant group of mayors (45%), whereas company managers from the local resource company provide only 28%. However, when we compare the total percentages of company men and union members on councils with local business proprietors, the corporate dominance becomes apparent. Such figures do not give any indication of the balance of voting patterns and power represented by each occupational group. In order to understand this pattern we must look at the policies of councils and the dominance held by the corporations over the growth and viability of communities (supra). Corporate dominance is exerted by means of covenants, land sales and housing stock controls, and special by-laws, as

well as by direct and ongoing political activity (8).

The picture emerges of towns with fairly rigidly defined classes, controlled economically from afar by multinational corporations, and locally still showing a lot of company influence in the new arena of local politics. Some writers have claimed that this type of situation has led to strong class consciousness and militant conflict in the hinterland regions. It is important to pursue this suggestion.

Davis, for instance, endeavoured to outline a regional class analysis in spatial terms, rather than in social and economic relations (9). His use of 'underclass' and 'overclass' as categories of regional class structures added little to the understanding of class relations and processes in the hinterland. Marchak, by contrast, endeavoured to analyse the causes of social conflict in British Columbia, especially those derived from class, regional and institutional sources. Her analysis of the working class in resource towns was limited by a lack of data, forcing her to rely on material which, according to her own admission was speculative. Among those whose speculations she used was Robin who has stated that:

"...the closed nature of many 'homogeneous, single-industry mining and lumbering communities with no middle class to mediate industrial conflict, in which class lines are clearly drawn, has contributed to the development of an intense working class consciousness" (10).

The existence of working class consciousness and, by implication, the proliferation of union activities such as

strikes and industrial disputes is, Marchak claims, supported by Kerr and Siegel in their 1954 study of industrial conflict. In this study Kerr and Siegel argued that geographical and social isolation create a homogeneous working class whose shared grievances become articulated more easily than those of workers in urban or highly stratified industries (11).

Evidence taken from the isolated resource towns in British Columbia supports Kerr and Siegel's notion regarding the development of a homogeneous working class, yet a small commercial bourgeoisie also developed, which they were not able to predict. Their contention that a working class involved in continuous or vigorous industrial strife would evolve simply from working class predominance, is not always supported by evidence on strike activity in the isolated pulp mill towns and several of the mining towns in British Columbia. Table 21 shows detailed examples of such strike activity in a selection of resource towns in British Columbia between 1967 and 1975. This evidence suggests that the picture presented by Robin, and by Kerr and Siegel, has not always been correct for all remote and specialised resource communities. Instead of there being numerous and extensive industrial disputes, including legal and (illegal) wildcat strikes, the small resource towns in British Columbia appear to have been relatively free of such altercations.

Between 1950 and 1968 in small and isolated industrial towns there were few recorded major industrial disputes which

eventuated in either strikes or lockouts. There were several reasons for this. Prior to 1968 most resource towns were closed company towns, fully owned and closely controlled by the corporations. In the "closed" company town of Port Alice, for instance, there was little strike activity before 1968; the union was controlled by a conservative local which endeavoured to bargain with the company through a grievance procedure which enabled both parties to come to agreements without strikes. In company towns such as Port Alice and Ocean Falls, both company and union were concerned with their security of tenure and hence were less willing to extend industrial issues to strike action.

A further reason for the paucity of disputes was derived from the almost total reliance of workers on the company. With few possibilities of mobility and alternative employment in remote towns, workers appeared to be less willing to jeopardise jobs through prolonged strike action; in addition, workers who were often in the towns only for short periods sufficient to earn high 'stakes', were generally unwilling parties to industrial disputes which could jeopardise their wages. By the same measure, companies were unwilling to invoke strike actions or plant closures which would result in the loss of skilled employees to other plants in the province.

The creation of instant towns has certainly not reduced or eliminated industrial conflict in the hinterland. Rather, the increase in industry/union conflict since 1968 suggests an indirect relationship to the nature of the instant towns.

Competition between international and national unions for control of locals both in the older resource towns and in the instant towns has also led to increased conflict. Changes in industrial/union relationships were particularly evident in the growth of short wildcat strikes and in longterm struggles.

Instant towns were built with the idea of attracting workers and their families from the city. Often such workers arrived before the towns were completed and several wildcat strikes took place over living conditions and limited services. Wage disparities increasingly became the reason for strikes, which may suggest the influence of urban workers expecting compensation for working 'in the bush'. In the instant towns there was not the fear of being kicked out of one's home, or refused credit at the company store, which may have mitigated against strike action in the old company towns.

Similarly, the companies in most of the instant towns had become large enough to be able to afford strike situations that would have broken the smaller company town owners. Thus, changes in the ownership and control of the industries, in conjunction with the emergence of a new kind of worker, help to explain the increase in strike action evident in B.C. since 1968.

A second reason can be found in the drive to oust international unions in favour of Canadian ones. (See Table XXI below).

Table XX: STRIKES AND INDUSTRIAL DISPUTES IN BRITISH
COLUMBIA RESOURCE TOWNS: INCLUDING INSTANT TOWNS (12)

<u>Company</u>	<u>Town</u>	<u>Union</u>	<u>Wkrs.</u>	<u>Days</u>	<u>Dispute</u>
<u>Year: 1975</u>					
BCFP	Mackenzie	PPWC, CPU, IWA	ND	56	General Strike
			ND	1	Wage Dispute
Lornex	Logan Lake	Steel	500	4	Trades Dispute
			25	3	Trades Dispute
			500	2.5	Suspension
Fording	Elkford	Steel	ND	6	Unjust Discharge
			ND	3	Work Cond.
			ND	1	Discip. Proced.
			ND	2	NR
<u>Year: 1974</u>					
Colcell	Ocean Falls	CPU	ND	1	Work Cond.
			ND	1	Workforce Red.
			ND	1	Wildcat
			ND	1	Wildcat
BCFP	Mackenzie	PPWC, CPU, IWA	ND	7	Overtime Ban
			ND	1	Trades Dispute
			ND	1	Wage Dispute
Tahsis	Gold River	PPWC	ND	1	Wage Dispute
			ND	1	Wage Dispute
			ND	1	Slow Down
			ND	8 Hr.	Plant Closure
			ND	1	ND
			20	8 Hr.	ND
ND	5	Illegal Strike			
Eurocan	Kitimat	CPU	100	16 Hr.	Grievance
			100	1	Grievance
			20	1	Work Cond.
			100	8 Hr.	Discharged
			ND	16 Hr.	Rate Dispute
			165	10	Wage Dispute
			200	28	Overtime Ban
200	1	Info. Picket			
Placer	Fraser Lake	Steel & Calmaw	ND	1	Legal Strike
Rayonier	Port Alice	CPU	ND	ND	General Strike
<u>Year: 1973</u>					
Lornex	Logan Lake	Steel	500	10	Shift Change
Tahsis	Gold River	PPWC	ND	13	Overtime
			ND	51	Wage Dispute
			35	1	Overtime
			150	1	Wage Dispute
CFP	Port Mellon	CPU	ND	Slow Down - Wages	
Eurocan	Kitimat	CPU	ND	4 Hr.	Pickets
			50	8 Hr.	Wage Dispute
			ND	8 Hr.	Illegal Firing
Placer	Fraser Lake	Steel	ND	3	Wildcat
			ND	3	Wildcat

Fording	Elkford	Steel	ND	36	Legal Strike
<u>Year: 1972</u>					
BCFP	Mackenzie	PPWC	ND	21	Wage Dispute
Lornex	Logan Lake	Steel	500	42	Contract
<u>Year: 1970</u>					
Placer	Fraser Lake	Steel	ND	1	Wildcat
Tahsis	Gold River	PPWC	ND	51	Wage Dispute
Cassiar					
Asbestos	Cassiar	Steel	300	13	Wages
Tahsis	Tahsis	IWA	450	45	NR
FFP	Mackenzie	IWA	190	2	2 Shifts & Living Cond.
Alcan	Kitimat	Steel	1,198	73	Wage Dispute
Rayonier	Woodfibre	PPWC	300	5	NR
Kaiser	Natal	Mines	460	5	Wage Dispute, Travel time
<u>Year: 1969</u>					
Tahsis	Tahsis	IWA	435	6 Hr.	Recreation
<u>Year: 1968</u>					
Endako	Fraser Lake	Steel	355	76	Wages, Benefits
Tahsis	Gold River	PPWC	300	9	Overtime
			ND	13	Overtime
<u>Year: 1967</u>					
CNI	Fernie & Michel	Mines	500	10	Wage Dispute
BCFP	Mackenzie	IWA	ND	72	Wage Dispute
Placer	Fraser Lake	Steel	ND	72	Legal Strike

(See Table, 'Changes in Union Control...' for details of union names).

ND = No data available; NR = No reason given.

N.B. Data from several settlements is not included here because it could not be verified from more than one source - hence the table in this sense is incomplete.

Table XXI: CHANGES IN UNION CONTROL IN SELECTED BRITISH COLUMBIA RESOURCE TOWNS - INCLUDING INSTANT TOWNS (13).

Town	Company	Union base	
		International	Canada
Mackenzie	BCFP	IWA	PPWC, CPU
Port Alice	Rayonier	IBPS *, UPIU *	CPU
Ocean Falls(+)	Crown	UPIU*	CPU
Logan Lake	Lornex	Steel	
Granisle	Granisle Copper	Steel	
Elkford	Fording Coal	Steel	
Sparwood	Kaiser	Mineworkers	
Fraser Lake	Endako	Steel *	CAIMAW
Granisle	Bell Copper		CAIMAW
Kitimat(+)	Alcan	Steel *	CASAW
Kitimat(+)	Eurocan	UPIU *	CPU
Port Mellon(+)	CFP	UPIU *	CPU
Gold River	Tahsis		PPWC
Woodfibre(+)	Rayonier	UPIU *	PPWC

(+) = non-instant towns.

* = Union affiliation changed from international to Canadian.

IWA = International Woodworkers of America;

PPWC = Pulp and Paperworkers of Canada;

CPU = Canadian Paperworkers Union;

IBPS = International Brotherhood of Pulp Sulphite and Papermill Workers;

UPIU = United Paperworkers International Union;

Steel = United Steelworkers of America;

Mineworkers = United Mineworkers;

CAIMAW = Canadian Association of Industrial, Mechanical and Allied Workers;

CASAW = Canadian Aluminum Smelter and Allied Workers.

Throughout the late 1960's a concerted move towards the localisation of wood pulp and mining unions, and a change from international (American) unions to Canadian unions took place. Table XXI shows that with few exceptions this occurred in all of B.C.'s instant towns. The increased local control seems to be evident in the rising numbers of industrial disputes and increases in union/company confrontations. Several instant towns in 1972 and 1973, for example, were involved in long strike periods (up to six months in the case of Granisle) which closed down the industrial plants. Thus as newly started

communities they were overtaken by struggles which affected their community viability and stability, particularly where long term strikes forced workers to move elsewhere in search of alternative incomes. Such situations are not unique to instant towns, but certainly they exacerbate an inherently unstable situation. Furthermore the impact of strikes and industrial unrest is immense in towns where there is only one employer.

SOCIO-ECONOMIC FEATURES OF INSTANT TOWNS - LABOUR TURNOVER.

The change from company town to instant town, which reflected the move to increasing multi-national ownership, led to modifications in the social structure of such communities. Gone is the old-time boss, in his place we find a new managerial class. With the relinquishment of company control over local businesses came the growth of a small middle class of service workers. The towns now have a local government, albeit still dominated by managers and workers from the local industry. Other factors seem to have changed very little. The instant towns are if anything, more dependent on decisions made at some distant metropolis. They must still be proximate to the resources. High levels of labour turnover, demographic distortions, and effects of isolation and impermanence, continue despite the changes in legal status (supra). The reasons for this will be examined below.

In Chapter One it was shown that labour turnover continues to be high in the industries of instant towns. In some, eg.

Port Alice, it has decreased from 91.8% (1966) to 45% (1971); in others it has fluctuated and even increased over time. Labour turnover in an instant town has implications beyond expense to the company for training and retraining. When persons quit work, they leave town as well, taking their family with them. Thus labour turnover equals community turnover. When this is borne in mind, the relatively low 45% annual turnover at the Port Alice mill seems disastrous in terms of the establishment of community stability (14).

Similarly, a worker in an instant, or any isolated resource town may leave work, not only because he/she dislikes the job, but also, because he or his spouse dislikes the community. According to past thinking, industry was the main reason for high turnover, but if a family doesn't find a town an acceptable place to live, it doesn't matter whether father likes his job "...Unhappiness in the employee family is by far the greatest cause of employee transience" (15).

The answer to why turnover continues to be a problem can be dealt with at two levels. Firstly, the reasons that people themselves give for leaving work must be analysed, and, secondly, structural reasons must be sought.

Studies conducted at Kitimat and in Port Alice, give some indications of the reasons workers give on leaving work, although these may not always represent the whole truth. At Kitimat, where the Alcan Company incurred annual turnover costs

in excess of \$2 million in 1973, job related factors were cited as major causes by 40.7% of those quitting. The physical aspects of work common to heavy industry were the key factors on the job. (In the Alcan plant, for instance, air temperatures reached 140 F in summer peak periods.) Other reasons given for turnover were 'dissatisfaction with the community' (22.6%), 'personal reasons' (24%), and 'other factors' (8.9%) (16). Reasons for termination given by Port Alice workers suggest a different pattern, although the two data sets are difficult to compare. The Port Alice data were derived from an examination of "terminated" mill files showing details of workers who had left the job between 1960 and July 1973. Although these records were not fully accurate and the reasons for quitting were not necessarily the correct ones, the data do give an example of turnover reasons in one instant town.

Table XXII: LABOUR TERMINATIONS PORT ALICE PULP MILL, 1974 (17).

Termination Reason.	% all terminations.	% termin.'s 1st year.
Dislike location	8.0	8.7
Dislike work	2.6	3.9
Dislike both	0.8	0.4
Subtotal	11.4	13.0
Alternate job	20.7	14.2
Fired	15.1	26.4
Health	2.5	3.5
Personal	31.9	27.5
Other	18.5	15.5
Total	100.0	100.0

The availability of an "alternate job" would depend on the numbers of jobs available elsewhere and on seasonal fluctuations during any one year. No clear picture of the reasons for

turnover emerges from the above table. Certainly in Port Alice, the "dislike work" category is not nearly as high as in Kitimat, while the "personal" category may well hide dislike of location as well as family problems.

Turnover is a complex subject, and existing records are seldom accurate enough or sufficiently detailed to give a meaningful picture of people's reasons for quitting work. When researchers in Port Alice attempted to interview workers on quitting they found that most workers had no intention of staying around to be questioned about why they were leaving. They seemed "interested only in getting away from the mill and the town" (18).

In studying turnover and transiency in Port Alice, the Horsfall study concluded that there were two faces to the:

"...transient problem. First, we have the traditionally transient group, young, single millworkers who expect to and do, stay for a limited time before moving on to another job. Second, an inherently stable group (including a large proportion of skilled workers) tends to move out when children reach secondary school age" (19).

According to the University of Manitoba study of turnover, the factors influencing labour movements in mining communities fall into two broad categories: industry cycles and workforce preferences, which in turn depend upon:

"...labour market conditions, working conditions, age of employees, isolation, job security, presence of friends, housing, treatment of employees by superiors, incentives of unemployment insurance, generous welfare payments, levels of education, and marital status" (20).

Clearly there has been no obvious resolution or decisive explanation of high labour turnover in resource extraction communities (21). Reasons given by individuals do not always reflect their main reason for leaving; company records are often inaccurate. Reasons are complex, but definitely related to more than just the work situation, as would tend to be true in the cities.

It is important to look beyond individual reasons for quitting work and the community, to factors that relate to the position of instant towns as creations of metropolitan forces. Structural reasons result from the necessarily isolated location of instant towns, the nature of the industries, from fluctuations in industrial cycles, and from lack of satisfaction of the workforce and of the communities.

The isolation of mining and mill towns has traditionally led to high turnover rates. Instant towns are no exception. Statistics Canada data for all of Canada showed an average annual rate of labour turnover for 1961 to 1965 of 48% of all mining industries, and 51% for all metal and non-metal sectors. One estimate by Statistics Canada indicated that labour turnover in isolated mining communities was as high as 200% (22). Evidence drawn from the more remote logging and mining establishments in British Columbia indicated that turnover rates were as much as 400% per annum between 1965 and 1972 (when data were collected), and as high as 400% per month in one new town constructed for a pulp mill in northern British Columbia (23).

Industrial cycles affect both the availability of alternate work elsewhere, and the likelihood of layoffs within a mine or mill. The lack of regional controls over growth often produces heavy in-migration in expansionary periods, followed by net out-migration in periods of recession. This leads to higher labour mobility and turnover rates and creates instability in local communities (24). Some experience high turnover regardless of the state of the business cycle.

Further reasons for high turnover can be found in the bifold effects of industrial alienation and a related feeling that the owners are far away and care little about the work process as long as it returns a profit. "They don't know what it is like to live and work up here", complained one group of workers, "they probably have never heard of our town let alone know where it is, or what our problems are" (25).

Worker alienation is often derived from repetitive or otherwise non-stimulating tasks (26). This, together with the position of workers in large plants in isolated and remote sites, has combined to produce an industrial 'climate' peculiar to the resource frontier. Within this 'climate' the degree of industrial alienation is exacerbated by the single enterprise operations common to resource frontier communities. The corporate domination of work and community and the existence of company paternalism, whether explicit or implicit, has undoubtedly had an influence on worker alienation and labour turnover. Cram cited several reasons for worker turnover and

job dissatisfaction in his 1969 study of five northern Canada resource settlements (27). He claimed that the most important unfulfilled needs of workers were in the areas of 'esteem', which he interpreted as due credit for work done, job respectability in the eyes of others, and the apparent value of the job to the company; and in the area of 'self-actualisation', which he interpreted as the worker feeling that his job is worthwhile, making use of all available skills and abilities, and the achievement of some self-improvement on the job.

However, as Cram stated:

"Management (and unions as well) in the camps visited, seemed convinced that the men worked only for money, food, safety, and a 'good time'. Jobs were, therefore, structured so that only these needs were met. A worker who feels 'esteem' or 'self-actualisation' needs in an environment of this kind, cannot fulfill them on the job" (28). ²⁷

Cram's analysis seems to be supported by the study of Port Alice which found that "the best single predictor of tenure is promotion rate in the Port Alice mill" (29). Promotion, apart from its "fixed cash value" was also nurturing worker's 'esteem' and 'self actualisation' and minimising alienation.

The effects of separation of ownership and control from the worker and the workplace has been noted by workers in resource towns in British Columbia and discussed in several publications (30). Several authors stress that not only was ownership vested in some far distant site, but that it was also held by an international management and ownership class whose interests did not match those of the workers in the small resource settlements

of the Canadian hinterland (31).

Furthermore, as Farstad noted in his research report on industrial development in the hinterland northwest of British Columbia:

"...the basic parameters of growth are determined by a demand for resources external to the hinterland. In B.C., the demand for resources occurs not only outside the hinterland, it occurs primarily outside Canada. The scope and rate of development is therefore beyond the control of local residents. This is the cause of continuing alienation in the hinterland directed against the metropolis" (32).

Thus, alienated workers without a full sense of place or belonging or control in the new industrial towns, tend to use them as places in which to work for short periods to gain money before moving on to new jobs or back to the larger urban centres of the province. Indeed the lack of attachment to the workplace and strong sentiment for the settlement has contributed both towards a sense of alienation and towards the patterns of population turnover. Evidence drawn from the new towns of Granisle, Mackenzie and Port Alice in British Columbia in 1973 and 1974, indicated that the pattern of short term stays and a lack of attachment to the settlement as a 'home town' was a contributor to the high rates of turnover (33). The aim of the new towns had been to develop a "...cohesive force in a community grouped around a single resource unit such as a mine', and to gain "...the interest of the workers and their families in the enterprise and their loyalty to its aims" (34). However, the nature of the industrial enterprises in the new resource

towns, meant that the hope for such 'loyalties to industry' and the community was somewhat unrealistic.

The data, sketchy as they are, do suggest a slight decrease in turnover in the early seventies in some of the instant towns. It is likely that this decrease occurs among married couples and families, for the very nature of the instant towns, with their stress on home ownership and associated high municipal taxes, has meant that some families are much less mobile than they would have been in a company town. They, and not the company, are shouldering the costs, not only of their homes, but also of the provision of facilities in a new community. Often houses are difficult to sell at a good price. Moving costs are high from isolated areas. Thus younger workers with no family ties are generally more mobile and hence less attached to a place or work, whilst families, by virtue of the high social and economic costs of mobility, cannot move so readily from job to job (35).

IMPLICATIONS OF DEMOGRAPHIC CHANGES IN HINTERLAND INSTANT TOWNS.

Traditionally the workforce on Canada's industrial frontier has been predominantly young and predominantly male (36). The resource companies and British Columbia government hoped by creating instant, self-governing towns to redress these traditional sex and age imbalances, and create more permanent stable communities. Yet the demographic and social characteristics of the workforce in the B.C. hinterland in

1972, still clearly exhibited the structural distortions and adjustments of the hinterland to the metropolis (37).

The nature of work in the hinterland - the isolated location of most settlements, the heavy industrial work involved, and the use of the towns as places in which to earn quick money and leave, has continued to determine that people attracted will be mostly male and concentrated in specific age-groups: the very age groups that traditionally exhibit high mobility whether in the cities or the hinterland (38). Thus resource towns in the 1960's still exhibited serious age and sex imbalances which accentuated the turnover problems and contributed to weakened community attachments.

The attempts by government and the companies to change age imbalances and sex ratios met with little success. The mills and mines in the province still 'required' a male workforce, and females were not attracted to the new towns. This remains true even in the instant towns which have tried to attract families and not single men.

Both the resource companies and the Minister for Municipal Affairs indicated preferences for family units in the new resource towns. Families were considered to be stable and to bring better returns on company investments in training and in urban infrastructure. Several observers indicated contingent difficulties with regard to families moving to new resource towns (39). These were derived from difficulties associated

with the greater costs involved in moving family units as opposed to the costs of moving a single and highly mobile male. Thus the policy of attracting family units to remote resource towns, while it was anticipated by the companies to add to the stability of the settlements, did so by enmeshing workers and their families in financial circumstances from which they had difficulty escaping. These financial difficulties were particularly noticeable in families which had moved to the resource towns to escape debt or save money, and who instead found their financial difficulties increased by growing debts due to the high living costs and the necessity to commit themselves to home ownership in an unstable housing market.

Older and retired persons are largely absent from the social milieu of new resource towns. A preponderance of single males and younger married persons introduced a more suburban flavour to the instant towns in which the new migrants' expectations of services were derived from those available in larger urban centres, and not from the more limited experiences available in new and remote settlements. Consequently the absence of services and the expectations of specific groups produced aggravations and tensions within the hinterland (40).

Thus the manifestations of resource extraction were reflected not only in labour mobility but in demographic and social terms. Such factors as the predominance of males in the working populations, plus the existence of a primarily male-oriented occupational structure meant that there was not

only a much higher male labour force participation but a marked prejudice against female employment in resource towns. Indeed, the physical planning of the new towns reflected the male dominance of the work force. The town planners for instance, planned according to the needs of a male-oriented workforce by suggesting the per capita and household requirements for a population which was predominantly male.

In Port Alice, Mackenzie, Granisle and Logan Lake, special accommodation was constructed for single male workers to the disadvantage of single female workers, and housing was allocated in the town plans according to the numbers of male workers required by the plant. (In certain circumstances females were housed along with males in hotel/bunkhouses to alleviate accommodation pressures). Thus it was not only difficult for females to find employment, but the social and physical milieu were prejudiced against their living and working in the new resource settlements.

ISOLATION.

That instant towns, like their predecessors, would be physically isolated was obviously realised by their promoters and need not be considered at length here. Uneven and isolated development in the province resulted from the needs of the industries involved. Indeed, as Stohr indicated in 1974:

"...mineral resources...are usually concentrated in few locations, intervening less productive areas will be jumped over and

enclave-like towns emerge where the drilling or mining operations take place. These towns usually have little relation to their surrounding areas and are oriented mainly towards extracting, possibly processing, and exporting the respective resources from the region" (41).

Thus as a direct result of the need for resources, and as places in which to invest profitably, settlements grow in remote spots of northern Canada, including those areas of British Columbia opened up by the British Columbia provincial government and the multinational corporations in the 1960's.

Many irritations arise in the instant and other resource towns from the effects of physical isolation. Usually only one television and one radio station are available. Transportation costs are very high. Fresh produce is hard to obtain, especially in certain seasons. Mail orders to metropolitan stores tend to take a long time to be filled, and often arrive with the incorrect item. Although these 'irritations' may appear trivial on the surface, especially when we consider the overall high standard of living of most Canadians, the exposure to such problems in a consumer oriented society renders the trivialities as more important in isolated areas in the hinterland.

Several researchers have dealt with the impact of isolation on workers in northern resource communities. Horsfall et.al., found that 78% of the people questioned in their survey of Port Alice felt isolated either "always" or "sometimes" (42). Siemens and others have examined some of the more individual or

personal and psychological aspects of lifestyles and isolation in remote communities (43). It is intended here to look at some of the broader implications of these forms of isolation within the context of the linkages between metropolis and hinterland and between multinational corporations and subsidiary plants.

British Columbia's instant towns were single industry communities which were instituted to house employees of resource exploitation corporations. The location of each community in most cases was thus determined by the location of the resource. For this reason, the communities are found, almost without exception, in the sparsely settled parts of the province.

The isolation factor in remote instant towns is also part of an interlocking cycle of instability and impermanence. Where settlements and mills are isolated by virtue of their distance from other towns, the tendency for short term stays by workers is often increased, leading to quick turnover which in turn reinforces any sense of impermanence experienced or expressed by workers. Such a sense is in turn exacerbated by the awareness that the company operating as the sole, or as the majority employer, does not regard its activities as being permanent or fixed in any one place, and the sense of isolation, impermanence and instability is thus self-reinforcing (44).

(similar to military src)

The impact of isolation on both management and workers is manifested in several ways. Because of the corporate linkages maintained by the companies, managers and executives have direct

and constant linkage with the metropolis. Their contacts are constantly with the centre and their allegiance is to the company. Indeed they are generally employed by the parent organisation and then posted to the resource town. The attitude of such executive staff is often 'centre-oriented' rather than 'periphery-oriented'. They may thus experience the effects of isolation to a lesser degree than other workers (45). Workers in the 'professional sector' are also aware that their sojourn in the remote towns is often temporary, and with a 'move-away' or 'back-to-the-city' to look forward to, their short term stays produce fewer effects of long term isolation (46). On the other hand, workers in trades or unskilled jobs who are not employed by the company as executive staff do not have access to exclusive linkages with the centre, and hence do not have the advantages of the mobility thus offered. In addition, they do not have the opportunity to move back to the city or to the centre as a member of a vertically linked organisation (47).

IMPERMANENCE AND INSTABILITY OF INSTANT TOWNS.

The instant towns were one aspect of legislation aimed at modifying the instability and impermanence of British Columbia resource towns. For lumber based towns the sustained yield timber licences were to solve the problem of impermanence. Yet neither of these policies could alter the fact that the permanence of any one settlement was dependent on the resource base and the fortunes or whims of the company involved. Instability remains a feature of instant towns because the

products which the workforce extracts or processes are controlled by distant owners, and are subject to market fluctuations in price and demand and to supply and production variations. Furthermore, at any time a mine or mill can be closed for one or more of the above reasons, thus killing the instant town.

The provincial government of British Columbia partially solved the problem of impermanence in the forestry industry with its policy of sustained yield timber licence areas. Decisions to close towns or move sites of operations could still be made, and were made, by the companies, but the growth of large pulp mills in the province in the 1960's, with their capital intensive methods and operations did modify the 'fly-by-night' operations of previous forest users in the province. Yet the high levels of capital investment in plant in itself did not offer any greater degree of community stability within the industry. The pulp and paper industry for instance was still vulnerable to price fluctuations and market manipulations which could cause a company to close its plant in a remote resource area (48).

The question of the overall stability of employment and production within the Canadian resource-based industries has been addressed by Gray who in 1975 questioned the assumptions of different levels of industrial instability in resource industries and manufacturing industries. After an analysis of employment and production data he concluded that there was no

real difference between the two major industrial divisions in terms of labour turnover, and stability of production and employment. There are several important qualifications in his conclusions which bear on the analysis of B.C.'s instant towns. Gray argued that:

"...statistical analyses of fluctuations by means of the variances indicate that resource industries as a group were somewhat less stable than the manufacturing industries group. However, if industries such as forestry or iron mines are dropped from the group on the argument of special seasonal factors causing instability, then the resource industry group is no less stable than the manufacturing group....The analysis also showed that there are great differences in stability within each group. A number of manufacturing industries were less stable than many of the resource industries, and a number of the resource industries more stable than many of the manufacturing industries. It is therefore incorrect to characterise the resource industries as a group by fluctuations in employment and output and the manufacturing group by stable employment and output" (49).

Gray's argument that not all resource industries are unstable, is supported in some long established resource towns in B.C. which either survive market fluctuations or become diversified, or both.

His argument thus far does not explain why certain resource industries are more unstable than others. Instability may be:

"... due to fluctuations in world commodity prices, to fluctuations in the demands of industrialised countries for primary products, to fluctuations in the volumes supplied by the primary producing country in question, ...or to a combination of these" (50).

Most of the industries in the instant towns sell on the

world market, and are thus subject to fluctuations in world prices and demand. Table 23 indicates some of the price variations which have occurred in the staples in Canada between 1965 and 1972. Information for copper production in Canada indicates a change in price from 35c to 50c per lb, an overall increase of 42%. However production figures rose by an even greater margin, especially in B.C. when Japanese buyers increased the total outflow of copper in the province from 161 million lbs in 1968 to 495 million lbs in 1972, an overall increase of 307%. Prices and volumes of coal also varied in the same period in Canada. The price per ton for instance, rose from \$4.91 to \$7.35 between 1968 and 1975, while the total volume increased from 10.98 million tons to 20.94 million tons, a 90% increase. Much of the Canadian increased coal production after 1970, occurred in British Columbia where coking coal from the east Kootenay region (Elkford and Sparwood) was exported under contract to Japan at the rate of 5 million tons per year. By 1972 coal was well entrenched as the second most valuable mineral in British Columbia with an estimated value of \$84.9 million or 29% of mineral exports in that year. Molybdenum also showed variations in prices and production, falling from \$1.66 per pound in 1968 to \$1.37 per pound in 1972.

Table XXIII: STAPLES AND RESOURCE PRICES - 1965 to 1972 (51).

	1965	1966	1967	1968	1969	1970	1971	1972
Copper (c /lb)	0.35	0.36	0.47	0.50	0.62	0.59	0.51	0.50
Coal (\$ /ton)	8.6	nd	nd	4.91	4.73	5.18	6.60	7.35
Molybdenum (\$ /lb)	nd	nd	nd	1.66	1.80	1.72	1.69	1.37
nd= no data.								

These data assist in portraying some of the elements of dependence and instability in the resource industries and in the resource towns. Prices are not stable, fluctuations occur and where the staple price drops below a certain level, layoffs or closures will become a reality for the people in the towns.

Farstad suggests that for the northwest hinterland region of British Columbia, the consequences of this instability and the dependence on an international market economy produced a history of "boom and bust cycles". This is apparent in the mining and fishing industries of that region, where the policy of following world market fluctuations without domestic protection, guaranteed the continuation of boom and bust cycles.

'In order to achieve the goals of stability and diversification government intervention, protected markets, and structural economic changes are required...including controlling the price and flow of wood chips to protect marginal sawmills and pulp mills, guaranteeing institutional markets for B.C. products, and revising existing...freights in western Canada" (52).

Fluctuations in demand for the primary products arises also because most of the industries are capital intensive operations. Their production becomes input into further manufacturing processes. As such they are vulnerable to fluctuations in demand, because as primary producers they are susceptible to demand changes from a variety of secondary industries "further up the chain". Gray suggests that if:

"...final goods producers, experiencing an increase in demand for their products and responding by increasing production, allowing their

materials and components to decline, then any attempt to rebuild their inventory to its prior physical level will result in a fluctuation in the demand for the materials and components. The more rapidly inventories are rebuilt, the larger the fluctuation in demand" (53).

This is only too evident in the lumber industry where a drop in housing or demand for newspaper in the U.S. results in immediate layoff's in British Columbia's lumber based communities. Thus the instability of industry and markets is directly mirrored in the social instability of many resource towns in the province, both old and new.

The ultimate manifestation of impermanence and instability associated with the resource towns, both new and old is derived from the insecurity of industrial tenure associated with potential and actual plant closures. Even though plant closure and settlement abandonment is not as prevalent as might be expected given the market conditions associated with a single industry town, the possibility of closure is nevertheless present. Evidence drawn from one particular event in the instant town of Port Alice on Northern Vancouver Island illustrates this particular phenomenon. Port Alice received warning of a potential closure in 1973 when the company was given notice to improve pollution control measures in its plant. At hearings conducted by the province's Pollution Control Board, a body set up to administer a pollution control act, the operating company was requested to invest \$43 million in pollution control devices to overcome problems associated with the dumping of industrial wastes into a nearby salt water inlet

(54). The company argued that costs of special equipment would be prohibitive and that insistence on installation would force them to close the plant and the town with it.

In June 1973 the mayor of Port Alice expressed the consternation felt by local residents following the announcements by the government and the company regarding the possible closure of the town and the pulp mill:

"...this town is being strangled by provincial government anti-pollution regulations....Cut backs at the mill - the town's largest employer - have caused the cancellation of a planned mobile home park and brought a warning of a staff reduction in Port Alice's only hotel....A union leader expressed fears that the Rayonier cutback will find jobless workers without buyers for their homes.... We are going to end up a ghost town just like the depression.... People's livelihoods are at stake and so is the town's future" (55).

Testimony presented at the pollution control board hearings regarding the consequences of mill closure suggested that:

"The most immediate consequence,...would be the virtual destruction of the town of Port Alice....About 1,500 residents of the town would have to move....520 housing units, the hotel, the new municipal hall, a \$7 million ice arena would be valueless or gone....A reduction of 490 basic jobs would lead to the loss of 1163 non-basic jobs.... The regional tax base for both Port Alice and the Mt. Waddington regional district would be reduced" (56).

Subsequent events in the pollution control board hearings, and the decision of the Rayonier Company to install the required pollution control equipment, stopped closure of the mill and the town at that time. However the consequences in the community were far reaching, epitomising the operation of

capital-intensive resource industries operating on single enterprise bases in remote areas. Residents expressed concern over the stability and permanence of the settlement during the public hearings in 1973. Such statements as: "we would not buy a house in this town", or "if the mill closes down we lose everything" were common in the town at that time (57). Particular concern was expressed about the effects of closure on property and housing owned by workers, a concern which eventuated in requests for government intervention, and compensation for losses that might evolve from their inability to sell houses on a depressed market.

While the consequences for Port Alice residents were severe in terms of the possible losses of homes, property and employment, they did not reach the magnitude of the circumstances surrounding the actual closure of a pulp wood industry in 1973 at the company owned settlement of Ocean Falls on the west coast of British Columbia (58). The company, Crown Zellerbach Canada Ltd., decided in 1973 that because of falling profits it would withdraw and sell the town and the pulp mill and its plant to whoever wished to purchase it. Withdrawal of this nature resulted in the closure of the industry and the disbandment of the workforce. Subsequently however, the plant and the town were purchased by the provincial government of British Columbia and operated by a Crown corporation (59).

RESIDUAL AND SYSTEMIC FEATURES OF INSTANT TOWNS.

The instant towns of British Columbia are still resource towns dependent on one resource and one company. As such they are dependent on the prices and the demands of a world market and economy. Their owners are now multinational corporations located in the metropolises of the world. The people of the towns are very much aware of this, and of the fact that their enterprise is only a small one in a large empire. Day to day work and living conditions of the workforce are dependent upon decisions made by corporate executives not only at the local level, but at the level of national and international centres of control.

The socio-economic reorganisation and changes in the hinterland have closely followed the demands of the metropolises for new materials and places for profitable investments (60). The dependence on an expendable resource and on world markets has not changed. The ownership has, and with it the legal status and the appearance of the towns.

In the new instant towns the insecurity and the isolation of company towns may remain, but now there are suburban type townsites, more recreational facilities, local government, and a new type of workforce. The government and the companies wanted to attract families. They had to appeal to urban workers and to immigrants. Their promotional literature stressed the urban amenities of the towns, so instant towns tend to be peopled by urbanites (61).

The migration to isolated communities of large numbers of city people seems to have led to an increase in mental health problems, as described in chapter one. It is a moot point whether the towns attract mentally unstable people or whether the personal and physical isolation leads to mental sickness. Certainly very high rates of depression among both housewives and workers are a feature of life in instant towns.

The details of the instant town legislation, in conjunction with the changes in ownership of many of the towns, have thus led to the emergence of new social problems apparently related to the attempts to attract a new kind of workforce.

The emphasis on attracting families and almost forcing the purchase of a home has meant that many families have become locked into such communities by mortgages, high taxes and high costs of living. The instant town legislation has succeeded admirably in transferring the costs of running a township from the company to the workers. The people, in return for the chance to govern themselves and own their own homes whether they want to or not, pay the price of creating a new and liveable townsite.

The instant towns, with their planned appearance, their rigid building codes, their urban appearance and largely urban workforce, are an imprint in the hinterland, of the corporate and government identities in the metropolis that created them, and that in varying degree continue to dominate and control them.

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Chapter Eight.

RETROSPECT AND PROSPECT.

Nine instant towns were created in British Columbia in the 1960's to do away with the problems traditionally associated with resource towns. The reforms inherent in the legislation creating these towns could not, however, change the underlying socio-economic characteristics of resource towns and single enterprise communities. While settlements remain dependent upon a single corporation engaged in short term resource exploitation, many of the social and economic features common to resource towns will probably remain unchanged.

An understanding of the process of instant town development has been obtained through an examination of the political economy of British Columbia between 1952 and 1972 using a metropolis-hinterland model to outline the processes whereby the instant towns were conceived and created. The framework has also been used to analyse the reasons for the perpetuation of many features of company towns in the instant towns in British Columbia.

The discussion of the political economy focused on three interlocked elements vital to the metropolitan dominance of the hinterland in the capitalist system - the role of the state, the role of the corporations, and the role of investment and capital. The interaction between these three elements between 1952 and 1972 resulted in the new instant towns built during the period. The relationships between corporations and

banks, and between governments and corporations and banks, are also effectively manifested in a range of other infrastructural items created during the period.

The dependence of the instant towns on one company which in turn is interlocked with and often controlled by other larger corporations, illustrates of the kinds of dependence and domination evident in most resource extraction economies. The instant towns in British Columbia are thus only one small sector of a larger, interlocked and dependent system of resource extraction. As such they have been designated as settlements whose function is to serve as a dormitory for a company based operation, which in turn effectively moulds each town as a dependent resource town. The attempts by the state, in this case the provincial government of British Columbia, to change the company towns into instant towns did not modify the primary role of each settlement, and therefore ensured their subservience to, and dependence on the corporations. *

An understanding of the political economy of the whole is essential to an analysis of parts of an economic system. The examination of the role of the state as part of the political economy indicated that the provincial government in British Columbia, between 1952 and 1972, was largely concerned with playing a facilitative role for the corporations it had invited to participate in the exploitation of resources. The facilitative role was enacted to ensure a basic infrastructure for the mining industry and the lumber and wood pulp industry.

This is not to suggest that the same corporations would not have participated in resource extraction in the province if the infrastructure had not been provided by the state. Indeed the history of resource extraction in the province, including the establishment of resource towns, suggests that given the access to raw materials and resources the corporations can and do provide their own infrastructure. The provincial government in British Columbia however, perceived that the corporations would likely find it more attractive if part of this infrastructure, including roads, railways and towns, were provided by the province. Accordingly, the government proceeded to build infrastructure and to invite investment in the province's resource extraction sector. In addition, the government concluded that large corporations in the private sector were to be the means whereby resources would be extracted in the province.

The primary reasons for development, and the means by which it was to occur, were established early in the era of the social credit government between 1952 and 1972. Linkages were established between government policies and corporate policies, and between government policy makers and corporate policy makers. The end product was the firm entrenchment of the provincial economy into its role as a resource supplier, and as a hinterland for large corporations and for countries such as the United States, Japan and Europe. In part, the entrenchment of the province as a resource extraction region was the result

of the deployment of foreign investment in the province, the very same capital which Bennett and his government invited into the province to bring about growth and development. This capital was deployed in British Columbia through the medium of a number of banks in eastern Canada, New York, Japan and Europe. The banks were in turn interlocked with the resource extraction companies in the province which in turn had their head offices in the same cities as the controlling banks. The boards of directors of many of the banks and resource corporations were interlocked by means of share ownerships, common directorships, policy controls and exclusive supply contracts. By this means the resource extraction corporations in British Columbia, and the settlements attached to each of them in the hinterland, became effectively controlled by, and dependent upon the banks and the integrated multinational corporations located in Toronto, Montreal, New York or Tokyo. Placed in this context the instant towns can be viewed as part of an overall system in which the growth, viability and existence of settlements became dependent on decisions made not at the local or regional level, but at the national and international level in metropolitan centres of power.

The specialized roles played by government departments in the creation of a legal framework for new municipalities, and the creation of new resource extraction regulations to ensure the viability of corporate operations, can also be regarded as an element of a metropolis-hinterland process. The Minister of

Municipal Affairs and senior officers in his department, facilitated the establishment of new towns and provided specific municipal policy and a legal framework under the MUNICIPAL ACT. This ensured that for several older settlements a programme of urban renewal took place; and for newer towns constructed between 1962 and 1972 on new resource sites, an instant town with an incorporated municipality status could be created.

Both the provincial minister and the corporations, endeavoured to shape an image of a metropolitan suburban community in the hinterland in an attempt to replace the older model of company towns, and to attract a different workforce. The aim was to modify the noticeably high labour turnover and social instability of many isolated, male dominated, single-company resource towns.

The provincial department of municipal affairs also exercised its prerogative to control the shape and extent of development through a system of land grants, letters patent containing specific directives, and community planning designs and regulations. The result of these devices was a reinforcement of the metropolis- hinterland relationship forged between the new instant resource towns in the province and the central authority vested in the head offices of companies in Vancouver and elsewhere. The same process and regulations ensured that continued liason between the provincial government and the corporations was necessary for the establishment of new resource towns.

The instant towns demonstrated a further form of metropolitan dominance resulting from the strong influence of urban planners on their plant and design. The apparent objective of the town planning companies active in shaping the new instant towns, was to articulate, in the physical design and shape of each settlement and its housing, the principles of a "suburbia-in-the-bush". While such endeavours were intended primarily to act as an attraction to potential workers from cities, the secondary objectives were to remove the physical evidence of the company town stigma from the hinterland landscape, and to transfer the costs of providing an urban infrastructure from the resource companies to the workforce.

In the case of the instant towns built between 1962 and 1972 the aims and objectives of the planners and architects were quite clear. The fact that each settlement was planned down to lot size, house shape, colour, style and design often even before the workforce arrived, strongly suggests that ideas of metropolitan architects and planners were dominant. With each plan and design there went the set of values and attitudes of a planner of suburbs, accustomed to the principles of planning for suburban areas adjacent to larger cities. The architectural firms were not attempting to create service centres, neither were they making country towns for rural based communities; instead the intent was to build suburbs-in-the-bush with the express purpose of providing a dormitory function for single enterprise settlements.

The techniques and ideology of the planners and designers of the instant towns support the notion implicit in the metropolis-hinterland concept in which the metropolis exercises control over the shape and type of development in the hinterland. In the case of instant towns, design techniques and urban development regulations were carefully formulated to ensure a standardized growth for each settlement, the avoidance of slums and squatter settlements, and the removal of company stores (although commercial monopoly was still feasible under the auspices of the company). Housing types, layouts and designs in turn were planned in a manner which reflected the status and hierarchical position of individuals in company towns.

The type of economic operations in resource towns, in addition to influencing the viability of economic operations, also influences the social structure and the social conditions of each community. Indeed the socio-economic conditions in the instant towns are the manifestation of economic and political decisions made not only at the local level but in the city of Vancouver, in Tokyo and New York. While the initial premise of both the corporations and the provincial government was to improve the socio-economic conditions in resource towns by changing them into instant towns, the end result is little different from the original. The lack of basic change was especially apparent in labour turnover rates, unbalanced age and sex structures, and mental and physical health problems.

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Industrial alienation, which is particularly noticeable where large numbers of workers are removed from any decision making capacity, or ownership and control in the industrial plants, was also present in the communities of the instant towns. While variations of these conditions are apparent in many resource towns and company towns, they are not necessarily or entirely the product of the local conditions in each settlement, nor of any special aberration of individual adjustment in the settlements. Rather, such conditions are more the product of industrial growth in isolated sites of natural resource extraction regions. The manifestations are also part of the social costs which are required to be borne by a workforce which, while employed in highly paid and often short-term work in the hinterland, is required to live in comparative isolation in small dormitory settlements. Conversely, the amelioration of these conditions does not lie entirely in adapting conditions in the local settlements, particularly where industrial alienation derived from the operations of the plant or mill may be the major source of such conditions.

By viewing the instant towns in the context of the economic and political forces which have created and shaped their geographic pattern, the dependent status of resource towns, and resource extraction economies in general, becomes clear. Thus the metropolis-hinterland model, modified by taking into account the role of the state, the corporations and capital as outlined in chapter two, has provided a valuable framework within which

to view the instant towns of British Columbia, other resource towns across Canada, and more generally, the process of centralization of capital, and control and ownership, in the phase of monopoly capitalism current in British Columbia between 1952 and 1972.

While this study focussed on the political economy of British Columbia between 1952 and 1972, and the set of resource towns which arose, the circumstances and the settlements are not entirely unique to the place or the time specified here. In other towns across Canada similar situations exist; likewise they exhibit similar relationships within the political economy of the whole of Canada. Indeed, the instant towns in British Columbia, and the resource towns in other provinces display a degree of dependence on investment and corporate control not unlike that found in Canada as a whole. But while it is not difficult to point out the similarities between the resource towns, and the Canadian economy, it is necessary to qualify them on a point of scale, with the resource towns as a miniscule part of the economy, and Canada itself illustrating a lesser degree of dependence and control by international corporate capitalism centred largely in the United States, but also in Japan and Europe.

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