

THE INNISIAN CORE- PERIPHERY REVISITED:

*Vancouver's Changing Relationships with British Columbia's Staple Economy*¹

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INTRODUCTION AND CONTEXT

SIXTY YEARS AGO Harold Innis presented the staple theory as a singularly powerful and evocative explanation of Canada's economic history and, more particularly, of the crucial role of resource extraction in the development of the nation and its constituent regions. A recurrent feature of Canadian economic development over several centuries was the extraction and transportation of staples from hinterland regions to distant markets. As Innis observed, the "result was that the Canadian economic structure had the peculiar characteristics of areas dependent on staples — especially weakness in other lines of development, dependence on highly industrialized areas for markets and for supplies of manufactured goods, and the dangers of fluctuations in the staple commodity" (Innis 1933, 6). The dominant staple within the Canadian economy has followed a progression — from fish, to furs, to minerals, to forest products, to grains, and so on — and transportation technology has evolved over time, but this classic portrayal of Canada as a staple economy is still appealing.

A cardinal feature of the Innisian staple model is the notion of a core-periphery structure of inter-regional relationships. At the broadest level, this implies a highly asymmetrical and dichotomous spatial framework, characterized by a dominant, industrialized, and metropolitan "core" and a vast underdeveloped "periphery" almost

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wholly dependent on the production and export of staple commodities. The core enjoys a privileged position within staple economic regimes by virtue of its concentration of corporate management and transportation functions as well as growth of manufacturing impelled by what Innis called "cumulative industrialism." The core region could experience some measure of industrial development and diversification owing to its large local market, access to labour and capital, and agglomeration and urban economies — attributes notably lacking within the periphery. While the dynamics of the core-periphery structure are elaborate, the asymmetrical nature of inter-regional relationships perhaps represents their essential feature. This asymmetry is largely defined by the "command-and-control" functions exercised by the metropole over the periphery, by the qualitative imbalance in trade flows between core and periphery (specifically the imperative of the latter to supply the former with resources), and by the truncated nature of the peripheral economy mired in the well-known "staple trap." At the national level, Innis depicted Canada's extensive peripheral regions as largely dependent on supplying resources (minerals, forest products, energy) to the manufacturing and commercial heartland of Canada, which is concentrated in the metropolitan Toronto and Montreal regions (and their industrial satellites). At the same time, the peripheries served as captive markets for end products from these industrial metropolises (Innis 1933).

This core-periphery structure is faithfully replicated in the case of British Columbia, within which the trajectory of economic development over the postwar period includes both the massive expansion of resource extraction (supported by large-scale public as well as corporate investments) and the associated growth of Vancouver as provincial primate city. Vancouver's primate role included large-scale resource processing industries in the city proper and its suburbs and, more recently, the development of a downtown corporate complex of head office, financial, and producer services from which it exercises its provincial control functions and which symbolizes the nature of its primacy within a vast resource economy.

As central as these control functions are to Vancouver's position within BC, we can identify a richer, more comprehensive, and more nuanced set of economic and socio-economic linkages, inter-relationships, and interdependencies. These include: *production linkages*, incorporating Vancouver's role as processing and secondary

manufacturing centre for resource commodities; a *strategic transportation role*, notably the export of some 40 to 50 million tons of staple commodities annually; *consumption interdependencies*, including a considerable flow of staples from the Interior to the consumer markets of the Lower Mainland; and *socio-cultural relationships*, including the influence of the staple economy and resource industries on the formation of class and community structures in Vancouver. Even this cursory outline points to the strength and diversity of core-periphery linkages between Vancouver and the rest of the province.

The pervasiveness and variety of these linkages notwithstanding, there is considerable evidence that, at several spatial scales, pressures for change are reconfiguring the regional economies of BC and that relationships between Vancouver and the rest of the province are being renegotiated and redefined, requiring a reappraisal of the core-periphery structure in this province. While it is premature to speak of Vancouver “de-coupling” from its resource hinterland (Davis 1993), a reconfigured core-periphery structure appears to be emerging.

Earlier studies have identified a “loosening of the bonds” between core and periphery within the context of a provincial staple economy (Ley and Hutton 1987). It can be argued, however, that core-periphery divergence is accelerating in response to an interdependent galaxy of local and external forces. The purpose of this paper is to offer a fresh interpretation of Vancouver’s relationship with BC in a context of ongoing structural change. This requires, in turn, an appreciation of (1) macro-level economic forces, including the globalization of resource markets and industries (Marchak 1995); (2) the diminution of BC’s extractive sector in the face of resource depletion, shifts in levels of external supply and demand, and changing social attitudes and policies regarding allowable resource yields; and (3) changes in Vancouver’s industrial structure and labour force. Each of five dimensions of core-periphery linkage — transportation, production, consumption, community structure, and specialized services — is examined, and evidence for current or prospective change is presented. Special attention is given to an analysis of “command-and-control” functions exercised by the core region of Vancouver, as it is they that constitute the crucial defining feature of core-periphery relations. It will be argued that both external and local influences will increasingly detach core and periphery in BC.

1. Transportation Linkages:

Metropolis as "Commodity Export Gateway"

Despite the growing significance of road transport, facilitated greatly by the strategy of successive governments to "open up" the provincial periphery via highway construction, the railways still provide crucial links between Vancouver, the rest of the province, and western Canada as a whole. Vast quantities of minerals, forest products, grains, and other agricultural commodities are conveyed to Vancouver by BC Rail, the Canadian Pacific Railway, and the Canadian National Railway.

This strategic resource export role is reflected in the operation of the Port of Vancouver (and the Fraser and North Fraser ports), Canada's largest and most important seaport by some margin. Although container traffic continues to grow, the port's central mission is the export of tens of millions of tons of bulk commodities to global markets. Typically, export tonnage exceeds that for imports by a ratio of about 10:1 (see Table 1). (The disparity between the value of exports and imports is, however, much less, owing to the much higher proportion of end-product and value-added imports.)

The export of resource commodities from the Port of Vancouver will certainly remain a key element of core-periphery linkages well

TABLE 1
*Inward and Outward Bound Cargo Traffic
for the Port of Vancouver, 1980-1993*

YEAR	INWARD	OUTWARD	TOTAL
1993	6,510,000	54,252,000	60,762,000
1992	5,817,000	57,489,000	63,306,000
1991	6,104,000	64,610,000	70,714,000
1990	6,511,000	59,937,000	66,448,000
1989	6,351,000	57,674,000	64,025,000
1988	6,196,000	65,120,000	71,316,000
1987	5,806,000	58,151,000	63,957,000
1986	5,436,000	52,157,000	57,593,000
1985	5,338,000	50,756,000	56,103,000
1984	6,018,000	53,279,000	59,297,000
1983	4,641,000	47,007,000	51,648,000
1982	4,596,000	44,484,000	49,080,000
1981	5,138,000	44,357,000	49,495,000
1980	5,478,000	43,726,000	49,204,000

Source: Vancouver Port Corporation: City of Vancouver Economic Development Office.

into the next century, but it may be possible to discern potentially significant changes in the nature of this relationship. Whether or not the decline in export tonnages (see Table 1) represents the start of a trend or is merely another cyclical downturn, it is clear that lower harvesting allowances in resource sectors such as forestry and fisheries will tend to reduce resource exports. Competitive pressures may also impact the port's commodity export role, as may be witnessed by the recent diversion of potash shipments from Vancouver to Puget Sound ports.

The reshaping of Vancouver's central waterfront to favour cruise-ship facilities, container traffic, and residential and recreational uses may presage a reconfiguration of Vancouver's historical transportation roles. The number of cruise-ship passengers (using Vancouver's central waterfront facilities almost exclusively) has increased from under 75,000 in 1980 to over half a million in 1993 (Vancouver 1994). Growth of this magnitude clearly influences choice concerning new infrastructural investments for the Port of Vancouver, especially in the central waterfront district.

The expansion of Vancouver International Airport implies perhaps the most consequential redefinition of Vancouver's strategic transportation roles. While the Port of Vancouver's trade has remained relatively stable over the past decade, air passenger traffic has increased steadily over the same period (see Table 2). To be sure, Vancouver International Airport's role entails maintaining an important network of air services between Vancouver and other points within BC, adding another dimension to core-periphery linkages within the province, but international (and, more specifically) Pacific Rim traffic is the propulsive feature of Vancouver International Airport's growth and development. Indeed, Vancouver International Airport draws more Asian-Pacific carriers than does Sea-Tac Airport in Washington State — a facility with substantially more total traffic. Vancouver International Airport is seen as a key point of connection between Vancouver and distant markets, cities, and cultures, reflecting this city's ongoing external reorientation. Underscoring this point, a City of Vancouver staff report recommending council support for Vancouver International Airport's second parallel runway suggested quite explicitly that the airport would be as crucial to Vancouver's development in the next century as the port has been in the present one (Vancouver 1991a).

TABLE 2
*Growth in Scheduled Airline Passengers for Vancouver International
 Airport, 1980-1993*

YEAR	SCHEDULED AIRLINE PASSENGERS
1993	9,912,429
1992	9,268,147
1991	9,380,000
1990	9,912,429
1989	9,651,237
1988	9,200,345
1987	8,023,520
1986	8,385,358
1985	7,005,802
1984	6,895,000
1983	6,370,000
1982	5,858,000
1981	6,818,000
1980	6,777,000

Source: City of Vancouver Economic Development Office.

2. *Production Linkages:*

Resource Inputs to the Industrial Metropole

Core regions within the Innisian staple model function, inter alia, as industrial metropolises, transforming natural capital extracted from hinterland regions into economic capital via secondary processing and manufacturing. This designation is certainly applicable in the present case, given that a succession of large-scale resource processing and manufacturing industries has figured prominently in Vancouver's economic development and, indeed, continues to be important even for the city's contemporary, substantially service-oriented, economy.

Many of these industries were directly linked to the provincial staple sector and were dependent upon resources not just from proximate areas, but also from the far reaches of BC's peripheral hinterland. These industries included fish canneries, sawmills, tanneries, and agricultural processing plants situated on Burrard Inlet, in False Creek, and along the Fraser River.

The immediate postwar period saw a substantial expansion of Vancouver's industrial production associated with the province's staple sector, especially in wood products. Many of metropolitan Vancouver's largest sawmills and plywood and paper plants were located in a strip

of industries along the North Arm of the Fraser River from southeast Burnaby to New Westminster and Fraser Mills, while another dozen lumber companies were situated on the Surrey side of the Fraser (North and Hardwick 1992, 202-03). The Vancouver local of the International Woodworkers of America (IWA) emerged as the largest on the continent (Hutton 1985), reflecting the unrivalled scale of wood industries in Greater Vancouver and, more specifically, the crucial production linkages between Vancouver and its resource-rich hinterland.

Recent profiles of Vancouver's economy tend to emphasize the ascendancy of specialized service industries and occupations and, to a lesser extent, advanced-technology manufacturing, but the contemporary importance of resource processing and manufacturing should not be discounted. The north Fraser and suburban municipalities continue to be home to large concentrations of wood-processing mills and plants. But even in Vancouver, where the process of economic tertiarization is most advanced, and where both market forces and public policy (in the form of rezoning and land-use changes) constricted heavy industries and reduced the industrial land inventory, important pockets of resource processing and production remain: six of the region's largest sawmills, for example, are located along the North Arm of the Fraser River, within the city's boundaries (Vancouver 1993).

The residual presence of traditional resource processing and manufacturing notwithstanding, structural changes in Vancouver's production sector imply a diminution of its linkages with the provincial staple base. These changes include, at the broadest level, a continuing process of economic restructuring and division of labour favouring service industries and occupations; a shift from heavy industry to a more diversified range of production industries within the manufacturing sector; and a progression from "propulsive" industries heavily reliant upon raw resource inputs to value-added production deploying higher ratios of capital and skilled labour. In the aggregate, these trends tend to reposition Vancouver from a centre specializing in resource processing to a more diversified (but still relatively buoyant) manufacturing region, and they are reflected in the emergence of new production activities and zones both in Vancouver and its suburbs.

The broad dimensions of metropolitan Vancouver's changing division of labour are illustrated in Table 3 by major industry groups

and in Table 4 by principal occupational categories. Table 3 shows the rapid growth of service industry employment over the past three decades. As a particularly dramatic demonstration of the dynamism of the advanced services, the business services labour force (roughly representing “producer” or intermediate services) now approaches the size of the entire manufacturing labour force of metropolitan Vancouver, whereas in 1961 it was only about one-seventh as large as that group. Occupational data offer another measure of the distinct nature of tertiarization in Vancouver. Table 4 shows that employment in the key “managerial, administrative and related” category grew even during the 1981-86 period, when BC experienced its most serious recession since the 1930s.

Unlike other cities within which leading industrial concerns constitute propulsive firms for the regional economic base, Vancouver’s largest firms tend to be service entities — both in the public and private sector. A recent survey of the thirty-eight largest employers in metropolitan Vancouver (i.e., those with over 1,000 employees) included only one resource-manufacturing corporation — MacMillan Bloedel — which was in thirtieth place, just behind the Hong Kong Bank of Canada (Vancouver 1994).

Shifts within Vancouver’s manufacturing sector also suggest implications for production linkages between core and periphery in BC. Here, we can discern a shift from a concentration in heavy manufacturing towards light industries and (in some respects) to a more diversified production base. Employment in the wood products sector declined from 17,800 in 1956 to 12,200 in 1991, this being attributable both to relocations and to outright closures as well as to more intensive capitalization during the last decade. In sum, Vancouver’s industrial development in recent decades also indicates its declining reliance on the province’s staple resource base. Table 5 shows considerable concentration in four industrial categories (printing and publishing, food and beverages, garment production, and wood products), but with representation across a quite varied range of industrial groups.

At another level, the emergence of “new production spaces” (Scott 1988) reveals a maturing and diversifying Vancouver industrial economy with diminished requirements for massive raw resource inputs (which were characteristic of Vancouver’s heavy manufacturing phase in the immediate postwar period). These include, for example, the emergence of over a hundred “applied design firms,” a new

TABLE 3

Labour Force Growth and Change in Metropolitan Vancouver by Industry: 1961, 1971, 1981, 1986, and 1992

INDUSTRY GROUP	1961	1971	1981	1986	1992	1986/92 % CHANGE	1961/92 % CHANGE
Agriculture	3.8	5.4	7.7	10.2	8.9	-12.7	134.2
Forestry	2.5	3.4	4.2	3.9	3.3	-15.4	32.0
Fishing & Trapping	1.8	1.6	2.3	2.7	3.2	18.5	77.7
Manufacturing	57.5	78.7	96.3	91.1	76.1	-16.5	32.3
Construction	19.9	32.0	44.6	46.1	64.5	39.9	224.1
Transportation & Communications	34.9	49.9	69.6	73.0	73.7	0.9	111.2
Trade	59.9	85.7	126.5	136.8	187.6	37.1	213.2
Finance, Insurance, & Real Estate	15.9	28.1	47.3	53.6	71.7	33.8	350.9
Services to Business	7.9	18.2	n/a	49.9	72.6	45.5	818.9
Education & Related Services	12.1	27.5	41.0	41.9	52.9	26.3	337.2
Health & Welfare	12.8	30.3	52.6	60.9	78.4	28.7	512.5
Accommodation & Food Services	12.9	22.3	42.6	58.7	67.8	15.5	425.6
Public Administration & Defence	18.0	22.3	37.9	39.4	38.3	-2.8	112.7

Sources: Census of Canada, 1961, 1971, 1981; 1986 mid-term census; 1992 estimates prepared by Labour Force Survey Subdivision, Household Surveys Division, Statistics Canada.

TABLE 4
Employment Change in Vancouver CMA by Occupation (1971, 1981, 1986)

OCCUPATIONAL CATEGORY	1971	1981	1986	CHANGE (%) 1971-81	CHANGE (%) 1981-86
Managerial, Administrative, & Related	21,030	52,805	85,020	151.1	61.0
Natural Sciences, Engineering, Mathematics	14,215	25,190	26,220	77.2	4.0
Social Sciences & Related Fields	5,440	12,720	17,530	133.8	37.8
Occupations in Religion	795	1,040	1,455	30.8	39.9
Teaching & Related Occupations	16,135	25,260	25,915	56.6	2.6
Medical & Health	19,495	32,920	37,960	68.9	15.3
Artistic, Literary, Recreational	5,315	10,370	14,770	95.1	42.4
Clerical & Related Occupations	88,700	143,290	146,780	61.5	2.4
Sales Occupations	55,855	75,330	81,390	34.9	8.0
Service Occupations	58,715	85,355	108,120	45.4	27.1
Farming, Horticultural	7,760	9,600	12,295	23.7	28.1
Fishing, Hunting, Trapping	1,795	1,295	2,155	-27.9	66.4
Forestry & Logging Occupations	2,390	2,270	2,320	-5.0	2.2
Mining & Quarry (Including Gas & Oil)	1,130	935	790	-17.3	-16.5
Processing Occupations	18,365	21,410	19,650	16.5	-16.6
Machining & Related Occupations	11,794	14,090	11,640	19.5	-17.4
Product Fabricating, Assembling	28,935	40,785	40,690	41.0	-0.3
Construction Trades	32,140	41,705	40,980	30.0	-1.7
Transport Equipment Operating	19,170	25,285	27,510	31.9	8.8
Material Handling & Related Not Elsewhere Classified	15,865	17,340	15,410	9.3	-11.5
Other Crafts & Equipment Operating	5,730	7,730	5,925	28.0	-19.2
	430,769	646,725	724,525	50.1	12.0

Source: Census of Canada (1971, 1981, 1986)

TABLE 5
Manufacturing Establishments in Metropolitan Vancouver, by SIC (1994)

SIC	MANUFACTURING GROUP	LISTINGS	PER CENT
2000-2099	Food & Kindred Products	399	5.9
2100-2199	Tobacco	1	0.0
2200-2299	Textile Mill Products	76	1.1
2300-2399	Apparel & Other Textile Products	336	4.9
2400-2499	Lumber & Wood Products	700	10.3
2500-2599	Furniture & Fixtures	245	3.6
2600-2699	Paper & Allied Products	116	1.7
2700-2799	Printing & Publishing	1,093	16.1
2800-2899	Chemical & Allied Products	257	3.8
2900-2999	Petroleum & Coal Products	21	0.3
3000-3099	Rubber & Plastic Products	184	2.7
3100-3199	Leather & Leather Products	33	0.5
3200-3299	Sand, Clay, & Glass Products	248	3.7
3300-3399	Primary Metal Industries	119	1.8
3400-3499	Fabricated Metal Products	565	8.3
3500-3599	Machinery, Except Electrical	523	7.7
3600-3699	Electrical & Electronic Equipment	288	4.2
3700-3799	Transportation Equipment	849	12.5
3800-3899	Instruments & Related Products	145	2.1
3900-3999	Miscellaneous Manufacturing	592	8.7
	Total	6,790	100.0

production regime in the old inner-city industrial districts (Hutton 1996), electronics and telecommunications firms within the inner suburban precincts of Richmond and Burnaby, and the rapid growth of garment production in East Vancouver.

3. *Consumption Linkages:*

Staples and the Metropolitan Consumer Market

In framing the dimensions of the core-periphery model, it is important to acknowledge the role of staples in consumption (final demand) as well as in industrial production and to identify aspects of change within this set of linkages. This interpretation acknowledges the vital role of the provincial hinterland in supplying foodstuffs, water, energy, and other commodities to the population of a rapidly expanding metropolitan core region. Vancouver's capacity to provide for its own consumption needs from local sources is constrained not only by physical and political geography in the form

of mountains, the sea, and the international border immediately adjacent to the suburban municipalities of Surrey and Delta, but also by the relentless incursion of urban land uses into the agricultural areas of the Lower Fraser Valley. Vancouver must import vast amounts of food and other consumption staples from outside the region, including, for example, a considerable quantity of vegetables and fruit from the Okanagan Valley and dairy products from Vancouver Island. In empirical terms, a recent study of the "appropriated" carrying capacity of urban areas underscores the magnitude of this dependency. It determined that the 1.8 million people of metropolitan Vancouver require an area eighteen times larger than the Lower Fraser Valley for food, forest products, and energy (Wackernagel 1994).

While Vancouver's consumption interdependencies are an important dimension of core-periphery relationships, we can again discern some significant changes here. With respect to the crucial food supply question, Vancouver is now heavily reliant upon foreign sources; notably, fruit and vegetables from the Central Valley of California, Mexico, and even further afield (e.g., seafoods imported from the South Pacific). At the same time, food and beverages (including fine wines) are exported from the province's interior regions to us and overseas markets, partially reducing the periphery's dependence on the consumer markets of metropolitan Vancouver.

Another important consumption linkage comes in the form of the purchase of recreational property by Vancouver residents in places like Vancouver Island, the Gulf Islands, Sechelt, and the south Okanagan — within what Walter Hardwick terms the Vancouver "urban field." This particular territorial behaviour reflects lifestyle preferences and discretionary expenditure choice, but it also suggests a further refinement and redefinition of consumption relationships between Vancouver and the rest of BC. Vancouver's association with the rest of the province can be deepened and transformed in some ways while it is being disengaged in others.

4. Socio-Cultural Linkages:

The Staple Sector and Urban Class Formation

While core-periphery linkages are conventionally interpreted in terms of commodity flows, production linkages, and control functions, they also have significant social and cultural implications. In BC, the development of a massive staple economy within the provincial hinterland influenced the formation of class and community

structures within metropolitan Vancouver. Within Vancouver's production sector, staple processing has created occupational divisions such as plant managers, technicians, secretarial staff, and, of course, operatives, while in corporate head offices important social groups include board members and executives, cadres of middle managers and supervisors, and large numbers of clerical workers.

Many employees in public utilities and Crown corporations (such as BC Hydro) situated within Vancouver are also highly dependent on BC's resource sector. At opposite ends of the socio-economic hierarchy within the broadly defined resource community are (at the top end) owners of capital and (at the bottom end) workers displaced by technology or injury. From these numerous subdivisions, I will focus upon three principal expressions of socio-cultural relationships within the context of core and periphery in BC: the cadre of senior management in Vancouver-based resource companies; the resource-processing and manufacturing workforce resident in Vancouver; and a population cohort, resident in the Downtown Eastside district, consisting largely of former staple industry workers.

These three Vancouver social groups, each closely associated with the provincial resource sector, represent distinct classes within a capitalist and corporate urban culture. That said, there have been recent changes within this hierarchy, reflecting larger transformations within the economy of the province and, more specifically, the fortunes of BC's staple sector.

The growth of large integrated resource companies in BC has given rise both to the owners of capital and to a much larger corporate elite of directors and senior officers. These (overwhelmingly male) executives tended to occupy the corner offices of the most prestigious "Class A" high-rise office buildings in the heart of Vancouver's Central Business District. From the bastions of the corporate complex, the affairs of BC's resource giants were, to a large extent, determined by this stratum of senior decision-makers. It must, of course, be acknowledged that this power of "command and control" over the province's staple sector was shared with external agencies and actors. As Vancouver functioned as core to the peripheral hinterland, BC as a whole represented a periphery of the Canadian (and increasingly continental) industrial economy: head offices in the Canadian heartland centres of Montreal and Toronto exercised considerable influence, while, by the 1950s, American corporations such as Crown Zellerbach and Weyerhaeuser were in evidence.

The corporate elite of Vancouver-based resource companies, in addition to representing a crucial component of the city's corporate complex, exhibited well-defined residential preferences that helped to define Vancouver's social geography. Aside from the relatively small cadre of company owners that inhabited the most exclusive districts of Shaughnessy (with other enclaves in West Point Grey and West Vancouver), many of the senior officers and board members resided in the highly desirable neighbourhoods of Kerrisdale and Point Grey. A related class of businesspeople engaged in the financing of resource development in BC, including stockbrokers and members of the Vancouver Stock Exchange (VSE), displayed somewhat similar residential locational preferences, but with a stronger inclination for the British Properties district in West Vancouver. Known popularly among long-term residents of Vancouver as "martini slopes," the British Properties, with its profusion of swimming pools and other conspicuous manifestations of recently acquired wealth, was thought to represent a distinctly parvenu and even somewhat raffish contingent of speculators and stock promoters, quite distinct from the more established corporate elite.

The class of individuals associated with the control of BC resource companies still retains considerable wealth, prestige, and influence. During the last decade, however, there has been substantial pressure on this elite, both because of cyclical downturns and because of the sequence of corporate mergers and acquisitions — part of a broader restructuring of resource companies that accelerated during the 1980s.

If the last decade and a half has seen at least a relative decline in the number of resource company executives in Vancouver's corporate elite, the impacts of change on less powerful elements of the city's "staple sector culture" have been even more severe. The redeployment of production capital and, more specifically, the relentless introduction of new technologies in the resource manufacturing sector have drastically shrunk Vancouver's wood industry workforce. This trend is especially advanced in the City of Vancouver, which contained a massive industrial concentration of wood processing and manufacturing operations both in the urban core and along the North Arm of the Fraser, but which now has only about one-fifth of the metropolitan area's forest industry workforce — considerably less than the city's current share of Vancouver's manufacturing labour force (Vancouver 1993). The contraction of Vancouver's forest products labour force is also reflected in the residential landscape: many of

the old blue-collar districts of the East Side show signs of gentrification, while in southeast Vancouver, close to the mills of the Fraser River, the former concentrations of IWA workers and their families have given way to new immigrants, especially Chinese and South Asians. Some of the latter still work in the mills, to be sure, but overall the socio-cultural transformation of southeast Vancouver ranks among the most rapid in Canada and offers yet another aspect of the city's changing relationship with the province's staple economy.

A third and final example of socio-cultural linkages between Vancouver and the provincial periphery is found in the Downtown Eastside, the most vulnerable community in Vancouver and, by some accounts, possibly the poorest neighbourhood in Canada (Ley 1992). Although distant from the palatial homes and elegant lifestyles of the corporate elite in Shaughnessy and Kerrisdale, many of the residents of the Downtown Eastside share with these privileged groups a close working relationship with BC's staple economy. Until recently, certainly, the typical resident of the Downtown Eastside was a middle-aged or elderly male with a record of employment as a miner, forestry worker, or commercial fisher (Hulchanski 1989, 3).

While hardly an affluent precinct, for several decades the Downtown Eastside nonetheless provided a long-term and relatively stable neighbourhood for many former resource-sector workers. Despite a stereotyped image of transience, many residents of this community have achieved some measure of long-term, if necessarily tenuous, residency. While incomes are low (and, for many, variable), forty or so social service agencies are active in the Downtown Eastside (Vancouver 1986), and these groups undoubtedly serve to enhance the quality of life in the area. These include not only governmental agencies and non-governmental organizations (NGOs), but also the Downtown Eastside Residents Association (DERA) — one of Canada's most durable and successful inner-city social service and advocacy groups. DERA has managed to secure a substantial amount of resources for the residents of the Downtown Eastside (including affordable housing), has effectively voiced the area's concerns at city council and in other arenas, and has generally served to organize and "anchor" the residents of this community.

The Downtown Eastside represents one element of the socio-cultural relationship between Vancouver and the hinterland staple economy, but, again, important changes can be detected. First, the composition of the community itself is changing, both as a

consequence of the aging of long-term residents and of the recent introduction of new groups, including younger people, couples, and even families. DERA has also expressed concerns that new market housing developments proposed for the Downtown Eastside may displace existing residents and destabilize this vulnerable community (*Vancouver Sun*, 14 February 1995, B12). Indeed, gentrification is already occurring, presaged since the early 1980s by an influx of artists and by loft-studio conversions.

In addition to these trends in situ, the Downtown Eastside continues to experience pressure from large-scale redevelopment in adjacent districts. This pressure has accelerated over the decade since Expo 86, which saw evictions of long-term residents from a number of single-room occupancy residential hotels (SROs). Currently, the Downtown Eastside is surrounded by projects — such as Concord Pacific's Pacific Place, the CityGate project (which includes a social housing component), and the ongoing redevelopment of the central waterfront — as the comprehensive reconstruction of Vancouver's core proceeds apace. The City of Vancouver has attempted to stabilize the area and to enhance security of tenure for long-term residents of the Downtown Eastside (and nearby Victory Square) by supporting social housing and by limiting redevelopment potential. There is concern, however, over the prospects for the residents of this marginalized precinct of the city, especially in light of Ottawa's declining commitment to social housing and the scale of proximate redevelopment projects. Spillover effects from the latter are likely to include inflated land prices and rents as well as speculative private investments. Combined with the aging of long-term residents, these trends will reshape the social profile of the Downtown Eastside (and the inner city more generally), and in all probability will lead to a relative or even absolute decline in the number of former resource industry workers, once an important link between core and periphery within a staple economic system.

5. Command and Control: Specialized Service Linkages

Specialized services (head office and senior management, finance, and business or "producer" services) are the most crucial attributes of core-periphery relationships. While each of the four aspects of linkage previously discussed emphasize two-way commodity flows between the resource hinterland and the metropolitan area, specialized service flows (directives, market intelligence, and

information and knowledge) are overwhelmingly transmitted from the core to the periphery. These higher-order service functions are critical to an appreciation of staple economic systems because they:

1. embody the "command-and-control" functions by which the metropole directs the fortunes of the staple sector with respect to the deployment of capital and labour, marketing decisions, and other critical operations;
2. represent the most crucial aspect of asymmetry between core and periphery within staple economic systems, reflected in divergent growth rates, cyclical stability, and other measures;
3. typify the more diversified and advanced (tertiarized) economic base of core regions vis-à-vis the more truncated industrial structure of hinterland regions;
4. imply imbalance within the inter-regional "terms of trade" (i.e., the higher value-added character of specialized services vis-à-vis raw commodity shipments); and
5. reflect the leakage of development benefits from the hinterland to the metropolitan core region.

There are, of course, reciprocal (and therefore positive) aspects to this pattern of service linkages; after all, development on the periphery is to a considerable extent facilitated by central institutions and firms. But specialized services (administration, control, information, technology) represent not merely one of many inter-regional linkages and flows but, rather, the principal expression of the core's control over the periphery in a staple economy.²

While the downtown contains a range of economic activities, including business, retail, and personal services, and even, in some cases, specialty manufacturing (such as jewellery and fashions), the crucial component is an intensely interactive agglomeration of head office and senior management operations, banking and finance (and, more specifically, commercial, merchant, and international banking), and producer or business service activities. This tripartite ensemble of head offices, financial institutions, and producer services is prominent in the City of Vancouver, and linkages to the provincial

² Montreal performs similar "command-and-control" functions within the Quebec economy; but, like Vancouver, it is vulnerable to the penetration of its provincial markets by high-order service firms situated within cities further up the national and continental urban hierarchies; notably, Toronto and New York, respectively (see Polèse 1982).

staple sector and peripheral regions are manifestly of great importance. A study published a decade ago disclosed that the downtown peninsula of the city "contains the head offices of virtually all the province's major business corporations; over half of them are directly implicated in the resource economy, particularly as lumber and mineral producers" (Ley and Hutton 1987, 417). Vancouver's downtown corporate complex also contains financial institutions closely associated with the resource industry, most notably the VSE, as well as brokerage houses and commercial finance divisions of the major national banks.

By far the most numerous elements of the corporate complex, however, are producer services such as corporate legal and accountancy firms, management consultants, and consulting engineers. There are hundreds of such enterprises within the corporate complex, and, indeed, the rapid growth of producer services represents a propulsive influence on the expansion of office space in the downtown over the past two decades (Hutton and Ley 1987). Certainly, the large resource company headquarters have been seen as the flagships of the Central Business District (CBD) and have, for much of the postwar period, defined the character of the downtown area. As Hardwick and North observe, resource corporations "shaped the landscape" of the central city by virtue of the construction of purpose-built office buildings, including the MacMillan Bloedel building on Pender Street, the BC Forest Products building on Melville Street, the Rayonier building on Georgia Street, and the BC Electric Company building on Burrard (206). Later, MacMillan Bloedel helped to redefine Georgia Street, the central city's principal east-west thoroughfare, by constructing a distinctive high-rise tower, projecting its dominance both in the city as well as in the more peripheral areas of the province.

Yet these relationships are changing in different ways and at different scales. Core-periphery relationships have been subject to the external influence of more dominant metropolises. Indeed, "because control of many of BC's major firms lay outside the province, [Vancouver] played only an intermediary role and was itself greatly affected by decisions made in other metropolises" (Barnes et al. 1992, 181-82). If anything, the integrity of Vancouver's command-and-control functions within the classic core-periphery structure are under increasing pressure from external factors.

MACRO-LEVEL SHIFTS: GLOBALIZATION,
INTEGRATION, AND THE SPATIAL REORGANIZATION
OF CORPORATE CONTROL

Rather than exercising complete dominance over a captive and largely contained hinterland, core regions must in many cases be reconciled to the intervening power of even larger control centres. Over the last decade and a half, processes of deregulation, market integration, and corporate restructuring have greatly expanded arenas of command and control — a process facilitated by mergers, acquisitions and relocations, and the reconsolidation of decision-making within global cities (Sassen 1994). In Canada, major provincial centres, such as Montreal and Vancouver, have lost considerable ground to Toronto, indisputably the primate business and financial centre of Canada (Coffey 1994).

Corporate restructuring is by no means new in the resource sector; indeed, MacMillan Bloedel, BC's largest forest industry company, is itself the product of a merger (in 1965). But a series of acquisitions and relocations over the 1980s and the present decade have served to vitiate Vancouver's role as control centre for the provincial staple economy. For example, during the last decade BC Forest Products was acquired by Fletcher Challenge (a multinational conglomerate with control centres in New Zealand and San Francisco), emphasizing the international dimension of restructuring. More recently, in April of 1995, Scott Paper (which has itself been the subject of a buy-out) announced its intention to relocate its Canadian head office (and over eighty employees) from Vancouver to Toronto in order to be closer to its production facilities and principal markets. Again, this underscores Toronto's primacy within the national arena, even in the aftermath of the severe downturn that afflicted much of Ontario in the early 1990s.

Globalization and market integration also carry with them alterations in the dynamic of supply and demand in the resource sector that will continue to affect the fortunes of staple production in BC. The emergence of low-cost competitors in the softwood lumber business (e.g., in the southeast US) will have implications for BC, and the looming presence of the Russian Far East, with its massive reserves of timber and other staples, must also be taken into consideration. Within the mining sector, a redirection of exploration capital from BC to Chile and other South American countries, coupled with increasing restrictions on mining activity in BC, resulted in a

one-sixth reduction in mining employment between 1990 and 1992 (Kunin and Knauf 1992) and is likely to result in contractions within Vancouver's corporate complex.

Indeed, there is some empirical evidence to point to reductions both in mining and forestry office staff; consequently, Vancouver's downtown exhibits an increasingly truncated resource sector head office organization. A recent telephone survey conducted by the author, including approximately twenty large resource firms, revealed long-term and recent downsizing of both forestry and mining companies within Vancouver's corporate complex. Corroborating evidence concerning the impacts of corporate restructuring was generated in a recent survey of Vancouver's forest-industry labour force, including head office staff as well as production workers. The study concluded that the "trend toward mergers has eliminated duplication of administration and managerial functions, reducing the number of downtown office employees substantially" (Vancouver 1993, 73). The total number of forest-industry head-office employees in Vancouver's corporate complex was estimated to be about 1,200 in the same study — a far cry indeed from the 1970s, when one company, MacMillan Bloedel, employed the better part of a thousand office staff in its prestigious, purpose-built tower. (MacMillan Bloedel subsequently elected to divest itself of its Georgia Street tower and now occupies more modestly scaled premises, an event symbolic of the changing order in the CBD.) Clearly, these 1,200 or so forest-sector office staff include many senior corporate executives who still exert substantial decision-making power but who now constitute only about 1 per cent of downtown Vancouver's approximately 100,000 office workers (Vancouver 1991b). To some extent this downsizing reflects the more pervasive corporate restructuring that has seen contractions in, especially, middle-management and clerical staff, but there can be little question that the data reflect long-term trends and a relative decline in Vancouver's traditional control functions.³

DYNAMICS OF CHANGE WITHIN BRITISH COLUMBIA

It is apparent that macro-level factors are affecting Vancouver's traditional control functions, but there are significant trends and events within BC that are also reshaping core-periphery relations

³ I am indebted to an anonymous reviewer for the observation that there may be some limited "repatriation" of corporate control, as in the case of Noranda's sale of MacMillan Bloedel and Interfor's takeover from Rayonier of the pulp mills at Woodfibre and Port Alice.

within a staple economy. These trends seem certain to include the contraction of primary industries in BC with, as a corollary, the reduction of head office operations in Vancouver. A substantial shrinking of the extractive sector seems inevitable in the face of serious resource depletion (both renewable and non-renewable), the creation of wilderness reserves within which extraction will be prohibited or severely restricted, and sharply reduced allowable yields in many areas outside these designated parks and zones of preservation.

Depletion of forest fibre has accelerated over the postwar period, and the levels of annual harvest have roughly tripled over the past three decades (Binkley 1992). Public concerns about the unsustainable nature of contemporary industrial forestry, coupled with overall environmental degradation associated with mining and other staple industries, has shifted the balance towards greater conservation. Policy initiatives since 1991 include a provincial government commitment to expand wilderness preservation areas from 6 to 12 per cent of the province's land base, the introduction of a new Forestry Practices Code, and the establishment of the Commission on Resources and the Environment (CORE) as an adjudication tribunal mandated to balance the goals of stakeholders and to produce regional land-use plans. (CORE produced land-use plans for Vancouver Island, the Cariboo-Chilcotin, and the East and West Kootenays before giving way to the Land Use Coordination Office [LUCO] in 1995.⁴) Continuing land-claim negotiations and treaty processes between the government and First Nations groups have the potential to remove a considerable portion of territory from the land base traditionally accessed by forest and mining companies, although First Nations groups are themselves likely to undertake their own resource industry developments. In these cases, however, new forms of First Nations tenure over extraction will likely dilute the control of Vancouver-based firms over the hinterland.⁵

⁴ This sequence of institutional innovations reflects changes in the government's approach to land use and resource management issues in BC: (1) the BC Round Table on the Environment and the Economy was essentially a public consultation body, supported by the government but semi-autonomous in its operation; (2) the Commission on Resources and the Environment (core) included both a more regionally targeted consultation process and decision-making power (or at least the power to make recommendations to government); while (3) the Land Use Coordination Office is more of an administrative agency.

⁵ Interestingly, discussants at a recent Laurier Institution Conference on economic impacts of First Nation treaties observed that surplus rents from development within newly created First Nations territories would likely be directed, in part, towards high-return investments

The next decade will also see a new regional and community-level economic geography that will redefine the nature of core-periphery relations and, particularly, the linkages of specialized services from the metropolis to hinterland centres and regions. Although metropolitan Vancouver has been steadily increasing its share of the province's population and employment over the past decade (Davis and Hutton 1992), this period has also seen substantial economic expansion in regions within southern and southwestern BC (notably, the Okanagan Valley, the Sechelt Peninsula, and southern and eastern Vancouver Island) as well as the development of several cities (with a population of 60,000 or more) outside the Lower Mainland. With only one-thirtieth of Vancouver's population, these centres cannot compete with the metropolitan core in terms of the most specialized service and financial activities, but they will attract more tertiary industry, raising the possibility of service import-substitution. A study disclosed that cities such as Kelowna, Kamloops, Prince George, and Nanaimo "are expanding their roles as sub-regional service centres" (Kunin and Knauf 1992); core-periphery relationships may be replicated at a smaller, subprovincial scale.

Changes to core-periphery control functions within BC also affect banking and financial industries. Vancouver ranks as the dominant financial centre within the province, but, again, there are significant changes that require a reappraisal of the classic core-periphery framework. For much of the 1970s and 1980s, the principal indigenous financial institutions in BC were the Bank of British Columbia and the VSE, both ensconced within Vancouver's corporate complex. Each of these financial agencies had powerful links to the province's staple economy: the VSE was the largest venture capital institution for resource exploration in North America, while the Bank of British Columbia was established, in large part, to facilitate development in BC and to reduce the province's historical dependence on the major chartered banks in central Canada.

Yet the role of the VSE has been declining in relative and, perhaps, absolute terms over the past decade or so. Trends towards financial consolidation and reconcentration in Canada during the 1980s greatly favoured Toronto and substantially undermined Vancouver's commercial banking role, including that in stock exchange, brokerage,

in the southwest, including Whistler, Vancouver, and the Lower Mainland, creating a new layer of core-periphery linkages within BC (The Laurier Institution, "The Economic Impacts of Aboriginal Title Settlements," Whistler, British Columbia, October 1996).

and commodities. Some of the blue-chip resource companies were listed principally on the Toronto Stock Exchange (TSE), leaving Vancouver with a residual of "junior" and, in most cases, highly speculative resource stocks (Ley and Hutton 1991). In absolute terms, the VSE has lost about one-quarter of its total listings since 1986 (Vancouver 1994).

The example of the Bank of British Columbia may be even more instructive. Like at least two Alberta-based banks, it was not able to survive the vicissitudes of resource industries and the limitations of regional markets (and, it must be acknowledged, questionable real estate investments) and was acquired by the Hong Kong Bank of Canada (HKBC) in 1985. Although the failure of the Bank of British Columbia experiment can be seen as a blow to the financial sovereignty of the province, HKBC was (and is) headquartered in Vancouver and offers the city a high profile within the national banking realm, especially within the dynamic "middle-market" sector that it sees as its principal client base. HKBC is also a major outpost of the Hong Kong and Shanghai Banking Corporation (HSBC) headquartered in Hong Kong, testifying to Vancouver's deepening engagement with the Asia-Pacific region (although others see such trends as evidence that BC has exchanged a peripheral position within the Canadian confederation for an even more subordinate status within an emerging Pacific Basin core-periphery system [Resnick 1985]).

At the same time, it would be premature to correlate the variable fortunes of Vancouver's banking and financial sector with an overall weakening of its financial role. Within the national context, Simmons (1991) suggests that Vancouver has been "slowly overtaking" Montreal as Canada's second leading financial centre, although the degree of Toronto's pre-eminence in this sphere ensures that the gradient between first and second position within the Canadian financial hierarchy is precipitous. Simmons attributes Vancouver's relative national ascendancy, in part, to its role as provincial financial centre, and he attributes much of its recent growth to the rapid expansion of its metropolitan market and to a larger and more diversified industrial base. To this we can certainly add intermediary financial roles associated with foreign investment in Vancouver's property market, development industry, and production sector.

VANCOUVER' MARKET RE-ORIENTATION:
SERVICE EXTERNALIZATION AND EXPORTS

Changes within Vancouver's producer service production and export orientation provide another measure of its evolving relationship with the provincial economy and, increasingly, with more distant markets. A distinct evolution in the destination of intermediate service outputs from Vancouver can be traced over a two-decade period and is depicted schematically in Table 6, a three-stage model of Vancouver's producer-service production and trade. While the model is based on several studies that employed somewhat different methodologies and samples, a clear pattern emerges. First, an input-output study of metropolitan Vancouver by Davis and Goldberg in 1971 (involving firms equalling about one-quarter of Vancouver's census metropolitan area's [CMA] total employment) revealed that the bulk of its service output (almost 90 per cent) was divided about equally between two principal markets: the local metropolitan market and the rest of the province. This split clearly reflects both the traditional role of cities as higher-order central places within regional settings and, more particularly, Vancouver's role as provincial primate city.

In the second stage, the provincial territory is of course still very important, but significant changes in the market orientation of Vancouver's producer services are becoming apparent. At this stage, two independent studies conducted by Hayter and Barnes, and Ley and Hutton, respectively, in the early to mid-1980s disclosed increasing extra-provincial exports of producer services such as management consulting, consulting engineering, and the FIRE group (finance, insurance, and real estate). It seems clear that this growth in intermediate service exports can be attributed not only to a widely experienced trend towards the externalization of service provision among firms in many advanced regions (Daniels 1993), but also to more specific push-pull factors. The "push" influence here is construed as concern among some of Vancouver's producer service firms over the security and growth prospects for the traditional provincial resource market in light of the severe commodity price shocks and accompanying recession of the early 1980s. Correspondingly, "pull" factors include the growing attraction of international markets, especially within the Pacific Rim region (Davis and Hutton 1994).

In this case, the documented growth of Vancouver's producer service exports to Pacific markets should also be seen as part of a growing

TABLE 6

The Evolution of Vancouver's Service Production and Trade, c. 1970-1990

	'MACRO-LEVEL' TRENDS AND PROCESSES	PUBLIC POLICY AND REGULATORY INFLUENCES	KEY ATTRIBUTES AND CHARACTERISTICS	EMPIRICAL REFERENCES
C. 1970 Regional, Central Place Hinterland- Control Centre	Tertiarization (urban economy and labour force)	Government investment in infrastructure in hinterland	Vancouver as "downtown BC," expansion of CBD "corporate complex"	Davis & Goldberg, I-O study of metropolitan Vancouver economy (1971) – 44% of services to local market – 44% to ROP (Davis 1976)
1980s 'Transitional,' Service, Export Phase	Externalization (specialized service inputs)	Market deregulation; privatization; government investment in Vancouver: Expo 86, rapid transit, convention centre	Exploration of export markets (domestic and international), response to concerns about provincial economy (cf. commodity price shocks), attraction of Pacific Rim markets	1. Hayter & Barnes survey: observed increase in service export ratios (Hayter & Barnes 1991) 2. Ley & Hutton survey (n=626 firms) – 10% of services to Canada outside BC – 7% of services exported internationally (Ley & Hutton 1987)
1990 Pacific Rim City	Globalization (markets)	Government support for export marketing of services	Vancouver increasingly integrated within Pacific markets, societies, network of trading, and "gateway" cities	Davis and Hutton survey (n=261) – increasing presence in Asia- Pacific markets – internationalization of producer services (Davis and Hutton 1991)

commitment to foster the city's role within the Asia-Pacific realm — a commitment that included substantial new public investments, such as Expo 86, rapid transit, and a downtown convention centre. A final study, conducted in 1990, confirmed the growing Pacific market orientation of Vancouver's producer services, attributable to increased government support (at all levels) for service export sales and marketing as well as more vigorous market exploration efforts by private firms (Davis and Hutton 1991). Implicit in these trends is diminished reliance upon traditional local markets for Vancouver's producer services. Vancouver's high-order service production and trade are no longer "contained" by the provincial market, and this underscores the city's deepening trade relations with territories beyond BC's staple economy.

CONCLUSION: TOWARDS A RESTRUCTURED CORE-PERIPHERY FRAMEWORK IN BRITISH COLUMBIA

This article has described important changes in the structure of core-periphery relationships in BC, within the framework of the Innisian staple economic model. In many respects linkages between Vancouver and the provincial resource sector have appreciably weakened, while in others a measure of deepening has occurred; but the overall picture is one of change. It is also clear that "change" now involves not just divergence in business cycles between regions in BC (Davis and Hutton 1989), but also fundamental contrasts in the development trajectories of metropolitan Vancouver and the peripheral regions.

Further, these changes in the structure of core-periphery relations can be interpreted across five dimensions of connectivity and interdependency: transportation, production, consumption, community and social structure, and specialized services (as summarized in Table 7). With respect to the former, Vancouver's strategic transportation role incorporates the transshipment of vast quantities of resource commodities, but this function is likely to decline in relative (and perhaps even absolute) terms as a consequence of resource depletion within the provincial periphery, the reduction of resource extraction quotas, and the creation of protected areas. Vancouver's central waterfront will also continue to evolve, favouring cruise-ship traffic and more intensive urban uses and establishing new directions (beyond traditional bulk cargo activity) for the Port of Vancouver.

TABLE 7

The Innisian Core-periphery Framework Revisited: Summary Table of Vancouver's Changing Relationship with B.C.'s Staple Economy

	I "CLASSIC" CORE-PERIPHERY STRUCTURE	TRANSITIONAL PROCESSES AND INFLUENCES	II "RESTRUCTURED" CORE-PERIPHERY FRAMEWORK
1. Transportation Linkages	<ul style="list-style-type: none"> - core region as entrepôt and point of export for bulk commodities - (import of finished goods) - key facility: seaport 	<ul style="list-style-type: none"> - globalization of resource sector - deregulation, market integration - resource depletion in "mature, advanced" staple regions 	<ul style="list-style-type: none"> - decentralization of bulk cargo facilities - redevelopment of central waterfront - key facilities: seaport, airport, and telecommunications
2. Production Linkages	<ul style="list-style-type: none"> - core region as "industrial metropole" - emphasis on resource processing and manufacturing - reliance on hinterland for resource inputs 	<ul style="list-style-type: none"> - tertiarization of urban economy - post-Fordism, flexible specialization - maturation/growth of metropolitan economy - resource depletion 	<ul style="list-style-type: none"> - more diversified urban industrial base (industries, markets) - greater reliance on skilled labour, entrepreneurial, technological production inputs - "loosening of bonds" between core and periphery
3. Consumption Linkages	<ul style="list-style-type: none"> - core region dependent on the periphery for consumption staples: water, foodstuffs, energy 	<ul style="list-style-type: none"> - resource depletion, changing land use in hinterland - new extra-regional staple sources for food and other staples 	<ul style="list-style-type: none"> - growth of urban "appropriated carrying capacity" for basic consumption items - diminished reliance on hinterland
4. Socio-Cultural Interdependencies	<ul style="list-style-type: none"> - influence of staple economy on class and community formation - may include: owners of capital, managerial and professional groups, operatives, etc. 	<ul style="list-style-type: none"> - "staple culture" under pressure: corporate reconcentration and restructuring, higher capital ratios in the workplace, etc. 	<ul style="list-style-type: none"> - diminution of role of certain classes - rise of entrepreneurs, "new middle class" (Ley) in urban society - gentrified urban landscapes
5. Specialized Service Linkages	<ul style="list-style-type: none"> - core region as 'command and control' centre for extensive staple economy - key role of 'corporate complex': HQ operations, banking and finance, producer services 	<ul style="list-style-type: none"> - accelerating series of corporate mergers, acquisitions, relocations in 1980s→ - telecommunications enabling more centralized control in national primate and "world cities" - externalization of services 	<ul style="list-style-type: none"> - penetration of regional staple economies by MNES - control functions vitiating in 2nd- to 3rd-order core regions - producer services in core regions seek new export markets

Production linkages between BC's core and periphery are in long-term decline, as is evidenced in the contraction of metropolitan Vancouver's resource-processing capacity. There are still major mills and plants, especially along the north Fraser, but these establishments are essentially residual rather than a base for expansion. Vancouver's contemporary industrial development is characterized more by technology-intensive production (e.g., electronics and telecommunications) and labour-intensive manufacturing (e.g., garment production) than by secondary processing of raw resources from the periphery. Consumption linkages between Vancouver and the provincial periphery are still important, but the sourcing of foodstuffs from the US and elsewhere has to some extent reduced these dependencies within the province.

Changes in Vancouver's social morphology point to yet another crucial aspect of detachment in the structure of core-periphery relationships in BC. The provincial staple economy has profoundly influenced the pattern of community for much of Vancouver's history, across the full spectrum of social classes. What these otherwise disparate social classes have in common, however, is erosion of status within Vancouver, due both to shifts within the resource economy itself and to the rise of new social classes. These ascendant groups include two principal cohorts defined (respectively) by occupation and ethnicity: first, a large and growing contingent of elite service-sector workers, principally managers and professionals within the "knowledge sector," described by Ley as the "new middle class" (Ley 1997); and, second, international immigrants, notably (but by no means exclusively) from Asian-Pacific societies. These groups are assuming more assertive roles within the economic, cultural, and political life of the city; in effect, they are eclipsing the old resource-sector elites.

Analysis of service linkage patterns discloses a final, decisive aspect of core-periphery restructuring in BC. A weakening of Vancouver's "command and control" function over the periphery, reflected in a contraction of downtown resource corporation head offices, represents a major aspect of change. At the same time, an expansion of Vancouver's service-sector exports to distant markets (impelled in part by concerns about the security of traditional markets within the province) can be seen as a more telling factor. Reference to a three-stage model of Vancouver's service exports demonstrated that over a two-decade period, beginning about 1970, Vancouver's service firms

(within numerous key industry groups) experienced progressively declining reliance on the provincial market outside the Lower Mainland. The arena for Vancouver's service export trade now transcends the provincial staple economy to include the burgeoning markets of the Asian-Pacific sphere.

This deeper engagement of Vancouver's service firms within foreign markets also underscores the reality that the restructured relationships between core and periphery in BC can only partially be explained by shifts within the staple economy *per se*. A large measure of Vancouver's disengagement and divergence from the resource-dependent periphery of BC can be attributed to the city's increasing status within extra-regional and international networks and systems. These include Vancouver's position as the northern pole of an extended Pacific Northwest agglomeration extending south to Seattle and Portland (Yeates *n.d.*), but the more decisive relationships are with the societies, cities, and markets of the Asian-Pacific realm. Vancouver is manifestly not just "downtown British Columbia" but is emerging as a "Pacific Rim city." Vancouver's development is increasingly shaped by Pacific Rim trade, investment, immigration, travel, and tourism rather than by the city's association with the provincial staple economy.

The imposition of these new external influences are helping to detach Vancouver from its traditional provincial hinterland, but this need not imply a rejection of Innis's core-periphery model as a framework for exploring regional growth and change in BC. Rather, the evidence from the BC case over the past quarter century suggests a spatial recalibration of the model in order to capture recent trends and development at different scales. At the intra-provincial level, this includes the emergence of new core-periphery structures based on the growth of nodal centres such as Prince George, Kamloops, and Kelowna. On a larger scale, Vancouver's development can be seen, in part, as the evolution of a new core-periphery arrangement within the Pacific Basin, within which Tokyo and Los Angeles are the dominant "first-order" industrial cores, invoking, in turn, the "world city" hypothesis advanced by Friedmann and Wolff (1982). Implicit in the world city system is the disengagement of cities from regional and even national markets in favour of stronger linkages with cities and markets in more distant regions — a trend that can be applied to Vancouver over the past decade or so.

By virtue of its size and location, Vancouver might be positioned on the frontier of this new Pacific economic zone. This apparent geographical marginalization might, however, be significantly mitigated in Vancouver's case by recent innovations in telecommunications that link distant cities through providing greatly expanded air connections to Asian-Pacific business centres, by the entrepreneurial energy and foreign contacts of new immigrants, and by the key networks and circuits (social, capital, and market intelligence) that link Vancouver to other cities within the Pacific Basin economic system.

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