

# Class, Regional, and Institutional Sources of Social Conflict in B.C.

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The social and economic bases for the development of interest groups, electoral behaviour, and collective movements have always intrigued social scientists. British Columbia is a particularly rich region for study because of its history of radical labour movements, unusual electoral behaviour, and high union membership. Among explanations advanced for these developments in British Columbia have been class cleavage,<sup>1</sup> the frontier culture and anti-establishment protest,<sup>2</sup> sponsored conceptual ideology,<sup>3</sup> oligarchic ideological hegemony,<sup>4</sup> concentration of ownership and corporate directorships,<sup>5</sup> and the resource extraction base of the economy.<sup>6</sup>

In attempting to untangle the sometimes conflicting possibilities suggested by these interpretations, one discovers that at least three dimen-

<sup>1</sup> Martin Robin, "The Social Basis of Party Politics in British Columbia, *Queen's Quarterly*, LXXII (Winter, 1966), pp. 675-90; and "Rejoinder: Class Still Counts," *BC Studies*, no. 12 (Winter, 1971-72), pp. 49-50. Also, Donald Blake, "Another Look at Social Credit and the British Columbia Electorate," *BC Studies*, no. 12, pp. 53-62.

<sup>2</sup> Edwin R. Black, "British Columbia: The Politics of Exploitation," in *Exploiting Our Economic Potential: Public Policy and the British Columbia Economy*, ed. Ronald A. Shearer (Holt, Rinehart and Winston, 1968), pp. 23-41; and "Rejoinder: No Death-bed Repentance from this Straw Man," *BC Studies*, no. 12, pp. 46-48.

<sup>3</sup> Mark Sproule-Jones, "Social Credit and the British Columbia Electorate," *BC Studies*, no. 12, pp. 34-45; and "Reply to Rejoinders: On Frogs and Worms—a Reply to Professors Black and Robin," same edition, pp. 51-52.

<sup>4</sup> John Addie, Allan Czepil and Fred Rumsey, "The Power Elite of B.C.," in *Essays in B.C. Political Economy*, eds. Paul Knox and Philip Resnick (Vancouver: New Star Books, 1974).

<sup>5</sup> Among the factors suggested by Stuart Jamieson, "Regional Factors in Industrial Conflict: The Case of British Columbia," *Canadian Journal of Economic and Political Science*, vol. XXVIII, no. 3 (August 1962), pp. 405-416. Addie *et al.*, *ibid.*, provide one interpretation and some description of this concentration. Another interpretation is provided by Gene Wallace in "The Extension of Corporate Power in British Columbia," paper presented to the B.C. Symposium meeting, Victoria, February 1973.

<sup>6</sup> Jamieson, *op. cit.*, Black, *op. cit.*, and Robin, *op. cit.*

sions of social structure are under discussion. The class structure is the most obvious and also the most frequently debated. The regional structure — either in terms of B.C. within Canada and North America or in terms of the Vancouver metropolitan area and the hinterland resource regions — is a second dimension. The third is the institutional structure: multi-national and local corporations, governments and small business, and other institutional sectors which provide the industrial and political framework for interest-group action.

If one of these structural factors were capable of explaining both union activity and electoral behaviour (to cite two forms of interest-group activity but not to restrict the possibilities to these), there would be no need to search further. However, no single factor appears capable of providing such explanations. Class divisions would appear to be responsible for some but not all social conflicts and interest group actions. By way of overcoming these multiple sources of conflicts, theorists occasionally treat regional and institutional conflicts as if these were synonomous with class conflict — A. K. Davis has done in his analysis of hinterland protest, for example.<sup>7</sup> Other theorists have simply cited several causes of conflict in such a way as to suggest that they are additive. Stuart Jamieson, in an article on industrial conflict in B.C., listed class, regional and institutional factors in such a fashion. Jamieson's method may be less parsimonious than Davis' but it acknowledges more of the complexity in the sources of social conflict.

Complex sources of conflict, however, are not necessarily additive. They may be related in such a way that overt conflict occurs through some interaction of factors rather than through any given one. They may occur in such a fashion that one offsets another or the locations of people vis-à-vis different factors are not congruent. The high rates of union membership, the duration of strikes, the militancy of workers and the support for an unusual political spectrum in B.C. may be due to an unusual combination of regional, institutional and class interests.

The interest groups under examination in all of these theories are essentially economic interest groups. That is, their collective action (organized as in unions or unorganized as in voting) is assumed to rest on economic considerations. What is at stake is economic welfare, and this in turn rests on economic power: either the power to establish industrial conditions or the power to bargain. The objection may be

<sup>7</sup> A. K. Davis, "Canadian Society and History as Hinterland versus Metropolis," in *Canadian Society: Pluralism, Change and Conflict*, ed. R. J. Ossenberg (Scarborough: Prentice-Hall, 1971).

raised that electoral behaviour refers to political power. However, the entire debate on the class basis of voting patterns rests on the assumption that people choose that political party which they believe is most likely to safeguard their economic interests. The question is whether they perceive those interests in class or some other terms. Political power, then, is a particular kind of economic power executed in the form of legislation, taxing, welfare, employment, and government participation in the corporate economy. In view of this, we may take the position that interest groups are collectivities specifically located within an economic power structure. The problem is to visualize the economic power structure in such a way that the relationships between classes and other structural features are identified. The objective of this paper is to describe these relationships.

The usual imagery for the class structure is a hierarchy by which one class (owners/directors of industrial wealth) occupies the apex and one or more other classes (workers) occupy the much larger bottom sector. Two debates about this arrangement continue to engage class theorists: (i) whether the political elite, managerial workers and small property owners are part of the dominant class or are closely allied but nonetheless separate strata; (ii) the degree to which the stratification of the working class modifies class distinctions. I do not wish to engage at length in this debate here, because the precise organization of the classes is not my immediate concern. At the moment, I would suggest a four-class model with divisions based on significant differences in control over industrial wealth and industrial production:

(1) those who control essential resources which in Canada consist of industrial wealth and property. This control rests primarily with the owners and directors of large industrial and financial corporations which operate within oligopolistic markets, but limited powers of control also rest with governments, with proprietors of small businesses and occasionally with boards of directors for such institutions as churches and universities. The total *policy-directing class* therefore includes the elites of different institutional sectors.

(2) the managerial class employed in both private corporations and public governments. This class has no ownership rights and no guaranteed job security, yet it does have relatively high control over industrial production and over other workers. Its members have more personal job control with respect to job content, pacing, daily quantity of work and such factors, and more individual bargaining power than other employees. In these respects they differ from both policy directors and

other workers. In addition, although class divisions as defined above are not reflections of distribution and consumption levels, the differences between the managerial strata and the other strata of the working class in these respects are sufficiently great as to create permanent and evident differences in life styles and opportunities. For these reasons it appears reasonable to treat the managerial workers as a distinctive class.

(3) workers whose productivity is determined by others and who have no control over industrial wealth, either through ownership or derived responsibility. This class is highly stratified along several lines: education, technical expertise and skill, authority, working conditions and collective bargaining power. They are also divided by sex and to some extent (in B.C. with reference specifically to Indians) by ethnicity.

(4) the permanently unemployed or marginally employed. This population does not appear to constitute a pool of substitutable labour: its technical skills are not in demand and its labour is of marginal value to employers. Consequently it is not in the same position as the employed working class, and in fact has different stakes in the outcomes of any changes in economic and political structure.

In the literature on classes, the family is treated as the basic unit of class. The positions of families are determined by the location of family heads relative to industrial wealth. Such family heads are generally men. Where married women are also workers, their independent positions are not treated as significant to the location of families in classes. Given post-war developments in the employment of women, the traditional location of families by the position of men poses both theoretical and practical problems for those who argue that class divisions are the primary divisions of the society. If one holds rather that class divisions are significant for some but not all occasions, then the attribution of "associate status" to wives and children may not be crucial. For the moment, in any case, classes as described above are assumed to consist of families.

The four classes are not equally represented in all industrial countries nor in all regions of Canada. In B.C., the owning/directing class and the managerial professional class are both proportionately smaller than the same classes in the Ontario-Quebec heartland. Further, the owners are largely small business proprietors, while the managers are largely government employees.<sup>8</sup>

<sup>8</sup> 1971 *Census of Canada, Occupations* (cat. no. 94-717). See Table 1, 1971, Census, Class of Worker and 1970 Wage Distribution, Advance Bulletin (cat. no. 94-791) of a number of self-employed. The size of the owning class may be inferred from the data on ownership of corporations, as reported in *Corporations and Labour Unions Returns Act Reports*. The 1973 data for the top 50 corporations is pro-

TABLE 1  
PERCENTAGES OF OCCUPATIONS FOR LABOUR FORCE, 1971

	<i>Canada</i>	<i>B.C.</i>	<i>Ontario</i>	<i>Quebec</i>	<i>Prairies</i>	<i>Atlantic</i>
All occupations	8,626,925	910,085	3,354,360	2,169,150	1,473,270	700,955
Managerial	4.3	<u>3.5</u>	4.6	4.7	<u>3.7</u>	<u>3.2</u>
Professional	12.6	<u>11.8</u>	12.8	13.0	<u>12.3</u>	<u>12.2</u>
Clerical	15.9	<u>15.5</u>	17.5	15.9	<u>13.8</u>	<u>12.6</u>
Sales	9.4	<u>10.5</u>	9.5	9.0	<u>9.2</u>	<u>9.3</u>
Service	11.2	<u>13.1</u>	10.6	10.4	<u>11.4</u>	<u>13.7</u>
Farming	5.9	<u>3.0</u>	4.2	3.5	<u>16.2</u>	<u>3.4</u>
Fishing, Mining, Logging, Hunting	10.6	<u>3.8</u>	0.8	1.4	<u>1.1</u>	<u>5.3</u>
Processing	3.8	<u>4.8</u>	3.6	4.4	<u>2.1</u>	<u>5.5</u>
Machinery, Fabr.	10.0	<u>7.9</u>	12.0	11.5	<u>6.5</u>	<u>6.5</u>
Construction	6.5	<u>7.5</u>	6.2	5.8	<u>6.7</u>	<u>9.0</u>
Transportation & other	9.5	10.0	10.5	10.2	9.2	10.9

SOURCE: 1971 Census of Canada, Occupations, (cat. no. 94-717) (percentages are the author's calculations).

This truncated class structure is a function of the high degree of external ownership of major industries and the location of head offices, research and cultural facilities, and manufacturing industries in the metropolitan regions of central Canada and the United States. The owners of industry and what Galbraith calls the "technostructure"<sup>9</sup> are located else-

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vided in *Business in B.C.*, July 1974, pp. 40-41, and controlling shares may be traced out by reference to *Inter-Corporate Ownership*, 1972. Residence information for directors is given in the *Financial Post Survey of Industrials*, *Surveys of Mines*, and *Survey of Oils* annuals. Self-employed persons in B.C. account for 9.3 percent of all income earners, compared to 7.1 percent in Ontario. Since ownership of the large corporations rests largely outside B.C., it must be inferred that the self-employed are small business proprietors, farm owners and independent professionals. The proportion of government workers in the managerial ranks is inferred from the data given below on employment by industry.

<sup>9</sup> J. K. Galbraith, *The New Industrial State* (New York: New American Library, 1971).

where. B.C. has instead a large proportion of workers in primary extraction and service industries and a legion of federal and provincial government employees who provide the social services for the regional population.

When one considers the membership of classes, it appears that each of the classes with the exception of the unemployed is internally divided by institutional affiliation. The policy-directing class includes both economic and political elites and the economic elite is itself divided into large and small or oligopolistic and competitive business owners. Managerial workers are likewise divided: some are employed as technicians in the corporations, others as the administrative and upper levels of professionals in universities, judicial institutions, hospitals and other state organizations, and still others as the professionals and managers of non-commercial, non-government organizations such as churches. Similarly the skilled and unskilled workers, whose economic fortunes are tied to those of different institutions, experience institutional divisions within their class.

In order to visualize these divisions, we might turn the usual class hierarchy on its side and impose another vertical ranking of institutional sectors which cut across the classes. The hierarchy again is based on respective economic powers.

The term "institutional sectors" refers to groupings of organizations which exercise different degrees of economic power. Economic power consists of control of industrial wealth. Within each sector, there may be many separate organizations with similar positions vis-à-vis the industrial economy. Although these organizations are directed, managed and staffed by individuals, the individuals act in accordance with a variety of rules, role-definitions, organizational goals and ethos such that their total action may reasonably be described as the action of organizations. Though the goals or methods for such organizational action may be determined largely by one class in its own interests, the sum of all individual actions on behalf of the organization cannot be understood solely in terms of these class interests. The organizations involve the interests of many individuals located differently in terms of class, and within classes in terms of authority, discretion, skill and knowledge. Their personal stakes in the outcomes of given actions differ but their overall interests include the maintenance and growth of the organizations. Because of this common interest, the organizations develop their own momentum and transcend their individual participants.

The precise number and identity of separate institutional sectors is, like

the number and identity of the classes, open to debate. For the moment the following divisions are suggested:

(1) industrial and financial corporations and corporation complexes which operate within an oligopolistic market. These corporations have assets of many millions, but it is not simply wealth which distinguishes them from the small businesses. The decisive difference between the two is that the corporations have considerable control over their own supplies, finances and markets such that competition and risks are substantially reduced or eliminated.<sup>10</sup> In reducing competition, a few corporations in each industrial area (sometimes the same corporations in several industrial areas) control the greater part of all assets, sales and profits in those areas. According to the 1972 CALURA reports corporations in Canada with assets of \$25 million and over, while representing less than half of one percent of all non-financial corporations in Canada, accounted for 63 percent of all assets, 40 percent of all sales and 58 percent of total profits. Within specific industrial areas such as automobile manufacturing, chemicals and petroleum, the degree of concentration is still greater.<sup>11</sup>

(2) government and the public sector. This institutional sector includes both elected governments and public agencies such as universities, schools, hospitals, law courts, welfare bureaus, public administration offices and public corporations. Governments derive their economic power from three sources: taxation, which provides them with some financial independence; legislative authority, which permits them to curb the appetites of private corporations and to enter the corporate field as public owners and directors; and their role as major employers, which provides them with a significant support base for the extension of public administration.

(3) unions, the economic power of which rests on their ability to control one of the elements in industrial production: labour.

(4) small businesses operating within a competitive market economy, independent professional practices, and farms which are not integrated into the corporate complexes. The economic context within which these independent businesses function includes constraints on access to finances, resources and supplies, and markets imposed by both corporations and governments. The contracts between corporations and unions also impose constraints on the labour-intensive small businesses which cannot absorb

<sup>10</sup> Government of Canada, *Foreign Direct Investment in Canada*, 1972, provides a general discussion of the effects and process of vertical integration for multi-national corporations in Canada. See also Kari Levitt, *Silent Surrender*, Macmillan.

<sup>11</sup> *Corporations and Labour Unions Returns Act*, 1972, Part I, 1973, p. 19.

the costs nor withstand prolonged strikes. Competing among themselves for relatively small shares of the total market, they are vulnerable to downswings in the economy or changes in consumer habits arising from new developments in products initiated by the large corporations. They cannot shift to new products or other regions when their major product loses its market or their regional location experiences depression or changed conditions of other kinds. These various distinctions between the corporations and the small businesses suggest that the two form separate institutional sectors which operate on different principles.

(5) non-government and non-commercial institutions — in particular, churches. In British Columbia the churches hold very little industrial property and wield little economic power.

(6) the family or the domestic production unit. This institutional sector rears the recruits for the other sectors and provides the organizational framework for consumption of goods produced elsewhere. As organizations, families have no industrial economic power.

Conflict between classes is explained by class theorists in terms of fundamental and built-in differences in economic interests. The working class and the directing class are opposed because the welfare and strength of one is derived from the weakness of the other. The owners thrive at the workers' expense. Thus classes are engaged in a latent and occasionally manifest struggle for power.

A similar conflict may be built in to the institutional sphere. Large corporations grow at the expense of small businesses. Governments and public service agencies attain their goals only if they can reduce the power of the corporations. Families are at the mercy of employers and, as organizations, lose their functions when the other institutional spheres increase their spheres of activity. The conflict between unions and corporations and between unions and governments is not only built-in but explicit at the level of ideology.

As with classes, conflicts between institutional spheres need not be explicit, nor need the separate organizations within an institutional sector act cohesively. The institutional sectors are interrelated and interdependent, as are classes, and relations which may be interpreted as exploitative by the conflict theorist may appear as symbiotic to both the functionalist theorist and the participating members.

The institutional divisions cut across the class divisions. Each of the two dimensions represents a series of conflicting interests but the interests need not overlap. Indeed, only two groups are unambiguously in the same position whether they are engaged in a class or an institutional

FIGURE 1  
CLASSES AND INSTITUTIONAL SECTORS

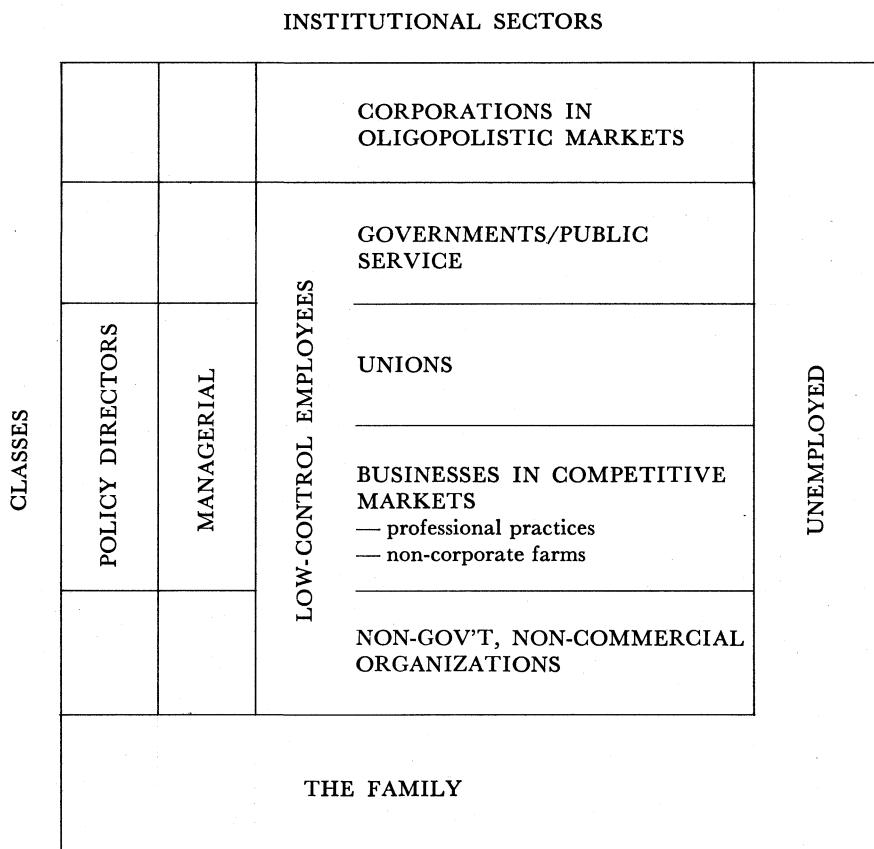
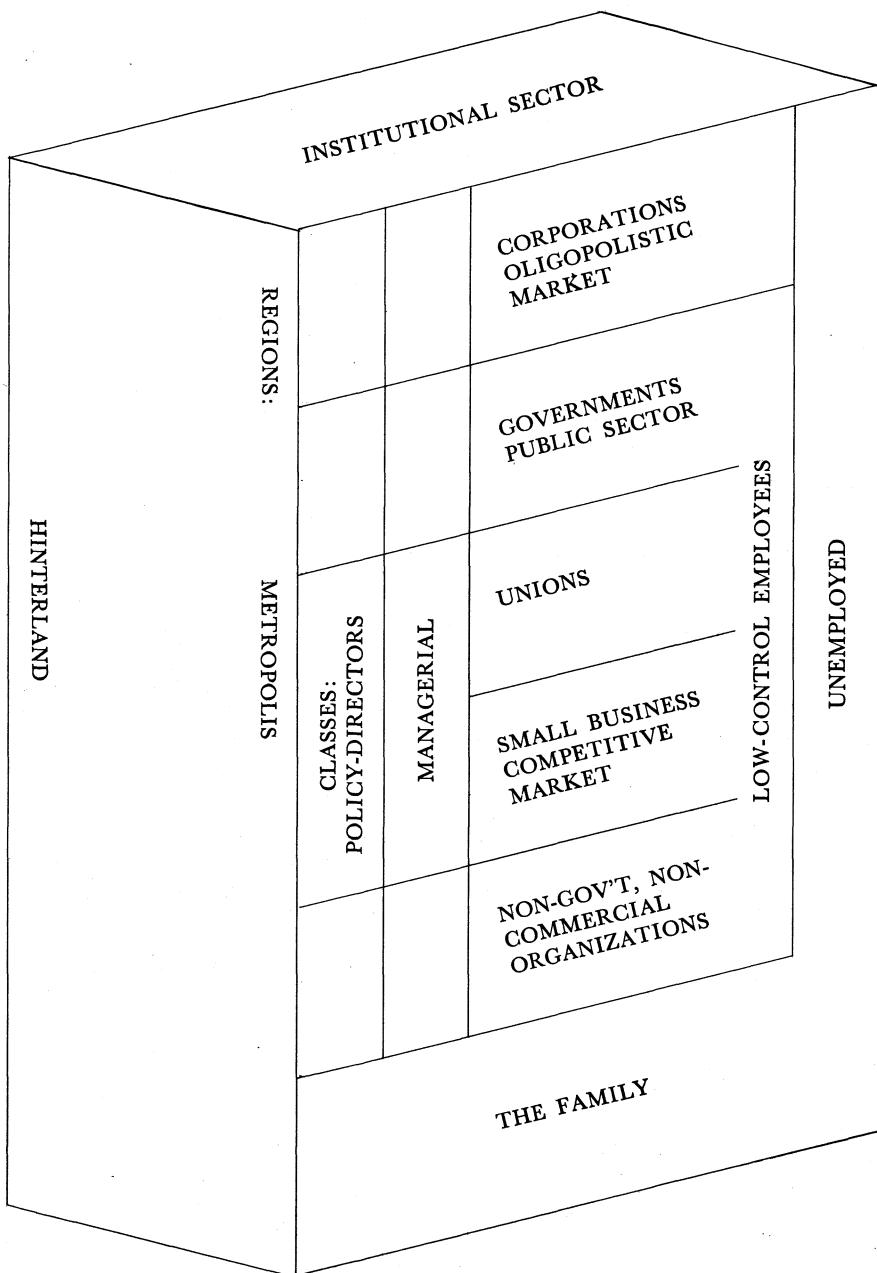


FIGURE 2  
THREE DIMENSIONS OF ECONOMIC INTERESTS



struggle: the corporate elite and the unemployed families. Other groups may hold incongruous interests, such that, for example, they would defend the prerogatives of corporations versus governments, but attack the prerogatives of the corporate owners versus the working class.

These two divisions are complicated by a third: the regional dimension of power.<sup>12</sup> Corporations, governments and unions have their head offices in metropolitan or heartland regions. Their operations, however, are not restricted to those regions: on the contrary, much of their strength lies in their ability to command the resources and population of hinterland regions. A metropolis is a region in which a high degree of control over industrial wealth is exercised; a hinterland, one in which little or no control is exercised. Control includes possession of resources, command of markets, direction of utilities and access to finances. Although formal control rests with the institutions and elites of the metropolis, the benefits of concentrated control are shared by many other members of the metropolitan population through employment at head offices and access to the cultural and other facilities built with surplus profits. The employees of metropolitan institutions make decisions or enact policies in the interests of the central core of the institutions: i.e., in the interests of the metropolis itself. Thus though the metropolis population is divided by class and institution, and though benefits from resource extraction in the hinterland are unevenly distributed in the metropolis, the metropolis itself is an entity apart from the hinterland. In the hinterland, likewise, there are unequal benefits from local resource extraction, but the population as a whole experiences common conditions such as lack of cultural facilities, a truncated economy and a lopsided occupational structure vis-à-vis the metropolitan population. This difference may be perceived in geographic or geo-economic terms, and may be seen to cross-cut again the other divisions of society.

To the extent that the metropolitan regions extract surplus produce from the hinterland regions, they undermine local economies and sustain or create industrial underdevelopment. This process provides a third dimension of conflict. Again, as with classes and institutions, the conflict need not be overt or recognized, the relationship may appear as symbiotic,

<sup>12</sup> The metropolis-hinterland thesis has been applied to B.C. by Stuart Jamieson *op. cit.*, and by Ronald Shearer in "The Development of the British Columbia Economy: The Record and the Issues," in Shearer, *op. cit.* In Canadian sociology, the terms were popularized by A. K. Davis, *op. cit.* The model is probably best known in the form presented by André Gunder Frank, "The Development of Underdevelopment," in *Latin America, Underdevelopment or Revolution* (New York: Modern Reader, 1969).

and the hinterland regions may not recognize common circumstances. In addition, between the most powerful metropolis and the least powerful hinterland there are many regions which are metropolitan vis-à-vis their own resource regions and hinterlands vis-à-vis larger and more powerful regions. Vancouver is a typical example. The third dimension may be visualized as a lateral face to the box described in Figure 1, as shown in Figure 2.

The addition of this third dimension indicates the complexity of economic interests for most members of the population. Those in government service, for example, may be members of the policy-directing class in class terms, yet be so located in regional terms that their hinterland status involves them in conflict with members of their own class in the metropolitan regions. Again only two groups have entirely consistent positions within all three dimensions of the power structure: the corporate elite in the metropolis, and the unemployed family in the hinterland.

British Columbia is a hinterland region within North America and within Canada, although it is far from the most exploited region and it has become wealthy through the extraction of its resources.<sup>13</sup> Although the province depends less on foreign direct investment than does any other region of Canada,<sup>14</sup> central Canadian interests either alone or in combination with U.S. interests control much of the financial sector, most of the mining, and some of the forestry industries.

Of the 20 publicly listed corporations with assets over \$100 million in 1973, five were effectively owned in B.C. (Table 2). In addition to these five, there was one (unlisted) Crown corporation and one privately owned forestry corporation. The largest corporation, MacMillan Bloedel, with assets exceeding \$1 billion, was controlled with a 12 percent holding by CP Investments (Central Canada). However, unlike most externally controlled corporations its head offices were located in B.C.<sup>15</sup> Its subsidiaries elsewhere were controlled by the B.C. head offices.

<sup>13</sup> As described in Shearer, *op. cit.*

<sup>14</sup> *Foreign Direct Investment*, Table 7, p. 23. In the 1965-68 period roughly a quarter of the major resource industries in B.C. were owned by non-residents. This may be compared to between 40 and nearly 90 percent in other provinces. Some 44 percent of the manufacturing industry was owned by non-residents compared to between 60 and 70 percent elsewhere. The percentage in the manufacturing industries had increased to 50 percent by 1971, but had dropped in the forestry industry to 14 percent and in mining to 24 percent, for a total in the non-financial industries of 33 percent. This may be compared to 52 percent in Ontario and the Prairies, 41 percent in Quebec, and 38 percent in the Atlantic provinces. The 1971 data is given in *CALURA Report*, Part I, statement 25, p. 52.

<sup>15</sup> *Inter-Corporate Ownership*, 1972.

TABLE 2

**COMPANIES WITH ASSETS OVER \$100 MILLION RANKED BY ASSET SIZE, 1973**  
 (From *Business in B.C.*, July 1974)

<i>Company</i> <sup>1</sup>	<i>F.O.</i> <sup>2</sup> %	<i>Controlling Corporation</i> <sup>3</sup> %	<i>Canadian Directors</i> <sup>4</sup>	<i>B.C. Directors</i> <sup>5</sup>	<i>Region of Control</i> <sup>6</sup>	<i>Employees</i> <sup>7</sup>
MacMillan Bloedel	22.2	C.P. 12.3	14/19	10/19	C.C. & B.C.	24,478
BC Telephone	50.7	G.T.E. 50.7	8/10	7/10	U.S. & C.C.	13,128
Cominco	21.9	C.P. 54	13/13	5/13	C.C.	11,129
Westcoast Transmission	25.8	Phillips 30.5 (B.C. Govt. 13.5)	9/10	6/10	U.S. & B.C.	515
Pacific Petroleum	86.8	Phillips 40.5	6/8	2/8	U.S.	949
Laurentide Finance	2.7	Nordex-Power Corp. 52.4	12/12	5/12	C.C.	—
BC Forest Products	50.9	Noranda 28.5 Mead 15.3 Brunswick 26.6 Argus 13.4	8/14	7/14	C.C. & U.S.	5,087
Crown Zellerbach	89.9	CZ International 89.7	15/16	14/16	U.S.	6,300
Bank of B.C.	—	B.B.C. Investment	16/16	15/16	B.C.	—
Placer Development	28.5	Noranda 26.5	10/11	7/11	C.C.	1,688
Weldwood	73.9	US Plywood-Champion Papers 73.9	8/10	6/10	U.S.	4,392
Woodwards	1.4	Elmswood 18.1	15/19	9/19	B.C.	6,000
Lornex	39.1	Rio Algoma 50	9/13	1/13	U.S.	653

Kaiser	79.2	Kaiser Steel 75	6/14	3/14	U.S.	1,725
Western Realty	.4	Bel-Fran, Bel-Cal, Bel-Alta, 19.5 each	8/8	1/8	C.C./Alta.(?)	145
Block Bros. Industries	1.9	Block Bros.	9/10	9/10	B.C.	1,900
Canadian Cellulose	—	Crown Corporation	all	all(?)	B.C.	3,022
First City, Financial	1.3	Bel-Fran, Bel-Cal, Bel-Alta 21.9, 21.4, 21.4 each	11/11	3/11	Alta(?)	—
Finning Tractor	.2	Finning Securities 35.7	9/9	8/9	C.C.	1,577
B.C. Central Credit Union	—	self	—	—	B.C.	—
B.C. Packers	2.6	Weston, George 78.7	12/12	9/12	C.C.	2,100
Canadian Forest Products	—	(private)	—	—	B.C.	—
B.C. Hydro		Crown Corporation (not listed)	—	—	B.C.	—

ABBREVIATIONS: F.O.: Foreign ownership

CP: Canadian Pacific

C.C.: Central Canada

G.T.E.: General Telephone and Electronics Corp.

<sup>1</sup> The four financial corporations with assets over \$100 million have been added to the list of industrials. Consolidated holdings are included in 'Assets' and 'Employees.'

<sup>2</sup> Intercorporate Directory of Owners, 1972.

<sup>3</sup> *Ibid.*, updated if necessary by Financial Post directory, 1973.

<sup>4</sup> Financial Post *Survey of Industrials*, *Survey of Mines*, *Survey of Oils*, 1973.

<sup>5</sup> *Ibid.*

<sup>6</sup> As deduced from location of controlling complexes.

<sup>7</sup> *Business in B.C.* listing. The numbers for the financial, the private, and B.C. Hydro Corporation are not given.

Offsetting these mini-metropolitan assets, there were private Canadian companies under private ownership (Eatons, for example) and both Canadian and American companies whose total assets in B.C. were not listed (Safeways, CPR, Canadian banks, for example). These were both owned and controlled elsewhere, and when added to the corporate holdings publicly listed they constitute a substantial majority of major industrial and financial holdings under non-resident control.

External ownership of resource industries and control of finances and markets create conditions inhospitable to the growth of local manufacturing industries. B.C.'s economy is, in fact, highly dependent on the extraction of raw materials and the primary processing of these. This is particularly true of the mining industry. The Anaconda mine at Britannia provides an example. Until its closure in 1974, it was used exclusively as a resource extraction base by its American owners. The copper ore was shipped to a mid-western state for processing and refining, and to other states for manufacturing. Eventually some of the copper returned to B.C. in the form of cable TV parts to be marketed through a local Anaconda subsidiary. Coincidental with the announcement that the mine was exhausted, the Canadian subsidiary for TV parts was threatened with closure. Local reports by the firm's Canadian manager were to the effect that the California firm was destined to replace the Vancouver firm in a consolidation of the entire West Coast market.<sup>16</sup> This all occurred during a year of high unemployment in both California and B.C. It would appear that with respect to both the mine and the sales-office, the employment interests of the metropolis took precedence over those of the hinterland: B.C. was exporting jobs along with its copper ore.

Central offices of international and national unions, federal government agencies and the federal government itself, and such non-commercial institutions as churches are also located in the metropolitan or heartland areas. Thus the major institutions in the peripheral regions or hinterland are of a branch-plant nature, or are regional administrative centres with limited decision-making and taxing powers.

Such an economy does not support a large class of managers and professionals. As suggested above, these classes are larger in the central metropolitan areas where head offices and manufacturing industries provide employment. Thus in B.C. both the owning/directing class and

<sup>16</sup> An examination of the Anaconda mine closure at Britannia (November 1974) is given in Jake Muller and Jim Russell, in a graduate seminar paper, U.B.C. My information is derived from their study. The possible closure of the sales office was described in newspaper accounts during the fall of 1974. Publicity appears to have stalled the action.

the managerial/professional class are small in comparison to their proportional representation in Ontario and Quebec. The working class includes the vast majority of the population.

Employment by institutional section is also affected by regional position. Metropolitan head offices employ large numbers of workers in many different capacities. Regional offices, particularly those concerned exclusively with the extraction of raw materials, employ few workers for a limited range of tasks. In B.C., the top fifty industrial corporations whose B.C. assets were listed in 1973 employed between them only 12 percent of the total employees in the province.<sup>17</sup> Financial corporations are not usually major employers, but even if these and the unlisted corporations are assumed to have comparable numbers of employees, the figure is unlikely to exceed 20 percent. At the same time, an estimated 25 percent of all employees were engaged in the public service in various occupations within medicine, law, education, welfare, transportation and the Crown corporations.<sup>18</sup> This suggests that there are many more workers in B.C. whose employment is dependent on the strength of the public institutions than on the growth of the private corporations. It seems fair to infer as well that a majority of the professionals and managers who do reside in B.C. are public employees.

Hinterlands are generally recognized as poverty-stricken regions. Neither Canada as a whole nor B.C. in particular conform to this image. Poverty is not a necessary corollary of hinterland status. The affluence in B.C., generated through the extraction of resources which have been for some time of high value to the manufacturing areas, is almost equal to that of the Ontario-Quebec heartland.<sup>19</sup> The distribution of the wealth, however, is somewhat different. B.C. has a smaller proportion of very wealthy families, presumably a function of having a smaller proportion of industrial owners. At the same time, it has almost as small a proportion of very low income families. Overall, there is a smaller range of income in B.C. than for any other province, and the bulk of the population lives at

<sup>17</sup> As shown in *Business in B.C.*, *op. cit.*

<sup>18</sup> This is my estimate based on two publications: D.B.S. *Estimates of Employees by Province and Industry, 1961-1968* (cat. no. 72-598) and *1971 Census of Canada, Employed Labour Force by Industry Divisions and Sex* (cat. no. 94-746). The latter publication does not identify employees by government sector, but one may estimate the percentages by adding the public administration, public defence, education, welfare, hospital, urban transit and such other groups together.

<sup>19</sup> B.C.'s per capita and total provincial incomes have been second to Ontario's for several years. *Taxation Statistics*, Table A or 1, annual.

what would be popularly recognized as a "middle-class" standard (Table 3).

TABLE 3  
INCOME CLASSES, BRITISH COLUMBIA, 1972  
WITH COMPARISONS TO OTHER REGIONS IN CANADA

<i>Income Class</i>	<i>Canada</i>	<i>B.C.</i>	<i>Ontario</i>	<i>Quebec</i>	<i>Prairies</i>	<i>Atlantic</i>
under \$5,000	17.6	15.5	13.3	18.5	23.5	25.7
\$ 5,000-\$ 9,999	29.5	27.6	25.0	33.8	29.5	37.7
\$10,000-\$14,999	30.9	32.8	34.2	28.5	29.0	24.9
\$15,000-\$24,999	18.9	21.7	22.5	15.2	15.1	9.9
\$25,000, over	3.9	2.5	5.0	3.9	3.1	1.9
median income \$	10,367	10,770	11,425	9,692	9,532	8,175

SOURCE: Statistics Canada, Income Distribution by Size, 1972, Table 3, percentage distribution of families by income groups and regions, 1972.

If all industrial regions had the same class structure then we might expect roughly the same degree and kind of collective action based on class cleavage to occur in all regions. As indicated above, however, B.C. does not have the same class structure as the Ontario-Quebec heartland. There is greater homogeneity of class and there are fewer strata within the working class in B.C. than in manufacturing and metropolitan regions. For a large part of the population regional position vis-à-vis central Canada and the United States, and class situation overlap.

In a comparative study of central Canada and British Columbia, the overlap (rather than one or other of the factors) may be the best starting place for an explanation of the overall pattern of radicalism and unusual politics. The class and regional interests of the workers in central Canada are divergent: more is to be gained through metropolitan dominance than through class cohesion. The interests of the workers in B.C. are congruent: in both class and regional terms they are bargaining with the same central Canadian and American directors and managers. Further, these same interests cross institutional lines. Within each institutional sector, the metropolitan region holds control.

Within B.C., however, the diversity requires further explanation. The high degree of homogeneity within the working class means that class cleavage will not explain the *differences* in electoral behaviour, support

for international unions, or support for American and central Canadian corporate ownership.

One of the sources of diversity is the metropolis-hinterland structure *within* the province. The Vancouver-Victoria centre dominates and exploits the northern and interior regions in a fashion similar to that of central Canada vis-à-vis the west. This centre does not have the degree of control over markets, finances and supplies of the metropolitan areas in central Canada, but it does have a considerable degree of control over the local economy through the regional offices of the central Canadian and U.S. corporations and unions, and through both the regional offices of the federal government and the head offices of the provincial government. Jamieson argues that:

Metropolitan Vancouver, as one of Canada's major seaports and the terminus for nearly all the Western region's transportation and communication facilities, exerts a degree of centralized control over British Columbia's economic life probably greater than metropolitan centres in other provinces.<sup>20</sup>

Shearer concurs in this view, referring to the relationship between Vancouver-Victoria and the hinterland as "symbiotic." Shearer then goes on to point out that the class structure in the Vancouver-Victoria metropolis is dissimilar to that of the hinterland regions. Workers in the extractive industries on which the province depends for its wealth and in agriculture are concentrated in hinterland regions. The cities include the larger proportion of workers in public administration, business, finance, trade and transportation. Within the manufacturing industries, the hinterland workers are engaged in resource processing; the urban workers in other — especially sales — occupations.<sup>21</sup>

There are, then, regional divisions within the working class in B.C. The workers in the Vancouver-Victoria region benefit from the dominance of the resource hinterland. The workers of the hinterland cannot depend on the workers of the metropolis to join them in class action when the benefits are unequally distributed.

If these differences are significant, then we would expect to discover regional differences in voting behaviour within the same class. We would also expect to find a division in support for the status quo within international unions. Unfortunately, I cannot find published studies of election results which provide the necessary information for testing any hypotheses about the regional divisions within the working class. There are specula-

<sup>20</sup> Jamieson, *op. cit.*, p. 411.

<sup>21</sup> Shearer, *op. cit.*, especially Table 1, p. 7.

tions derived from other concerns which may be cited in support of the hypothesis that the hinterland populations will be less supportive of the status quo, but to the best of my knowledge no empirical investigations. Among the speculations are those of Martin Robin:

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.<sup>22</sup>

And those of Daniel Koenig *et al*:

... it can be plausibly argued that a non-establishment political party will have a disproportionately strong appeal to isolated individuals and to population subcategories which lack influence and respectability in the eyes of the established power structure.<sup>23</sup>

These views coincide with Jamieson's explanation of union activity in B.C. in terms of "the isolated mass" theory.<sup>24</sup> However, these interpretations of B.C. politics and labour history are mainly concerned with comparing B.C. to other regions, or, as in Koenig's case, with comparing populations in terms other than regional (age, sex, education, etc.). For the moment, then, the hypothesis remains untested.

The second source of diversity is the institutional structure. A small proportion of the population in B.C. is directly employed by the large corporations. One would suppose that another segment of workers is engaged in smaller businesses and professional practices which are directly connected to the large corporations via project contracts and commissions. For such workers immediate economic interests may involve support for the corporations in any conflict with the government sector and particularly with provincial governments. The business unionism of the internationals suggests such support. For the professionals and small business proprietors, the same interests may induce support for the status quo. Such proprietors would vote for liberal and conservative parties where these are viable organizations, for the Social Credit party where

<sup>22</sup> Robin, *op. cit.*, p. 677.

<sup>23</sup> Daniel Koenig, *et al*, "The Year that British Columbia Went NDP: NDP Voter Support Pre- and Post-1972," *BC Studies*, no. 24 (Winter, 1974-75), pp. 65-86.

<sup>24</sup> Jamieson, *op. cit.*, in reference to the study by Clark Kerr and Abraham Siegel, "The Inter-Industry Propensity to Strike: an International Comparison," in Arthur Kornhauser *et al*, *Industrial Conflict* (New York, 1954). Kerr and Siegel argue 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.

this becomes the only option to socialism. This is not simply a class reaction, then, but an institutional one, and while the conservatism would be greatest where class and institutional interests overlap it would exceed class boundaries along institutional lines.

The majority of income earners in B.C. are not directly dependent on the corporations. As discussed above, B.C. has a high proportion of self-employed income earners, and a very high proportion in government service of one kind or another. The larger number of these government workers are engaged in provincial government service which by its nature involves a regional awareness of hinterland status. We might expect, then, that the institutional employment, especially where it overlaps with regional interests, would encourage support for government controls over corporate enterprise.

Again, there appears to be no empirical evidence with which one might test such an hypothesis. Voting studies do not include breakdowns by industry of employment. The available studies reflect the current assumptions about collective action: that it is connected with class membership, or that it is connected with largely personal factors such as education, sex, age and marital status. This article suggests another way of approaching collective behaviour which would require survey researchers and analysts to take account of potential sources of cleavage which are not presently examined.

By way of summary, an outline has been given of three dimensions within which economic power is exercised and economic interests may be experienced. The point of this has been to draw attention to sources of conflict other than the class structure, and to suggest that economic interests for classes may conflict with economic interests of the same population located diversely in regional and institutional terms. It was suggested that a comparative analysis of interest-group behaviour in B.C. and the Ontario-Quebec heartland of Canada might best be provided in terms of the difference between the two in overlapping interests between class and region. An analysis of differences in behaviour within B.C., however, requires further attention to the regional differences in power between Vancouver and the resource hinterland of the province, and to institutional differences between members of the employed population. Some suggestions were made about the probable effects of these differences on electoral behaviour, but as empirical data is not presently available for rigorous testing of hypotheses, these remain entirely speculative.