1 Agrarian Petit-Bourgeois Responses to Capitalist Industrialisation: The Case of Canada

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Political and Economic Background

The agrarian petite bourgeoisie dominated the political debates in Canada during the first few decades of the twentieth century. Their domination was ephemeral and extended only to setting the agenda for the debates since, although they won some concessions, they proved unable to change the course of the development of Canadian capitalism in ways congenial to them. They failed to maintain the momentum of their own class and their efforts to forge successful alliances with the working class and the urban petite bourgeoisie were wrecked on the rocks of their own self-interested view of what the world ought to be like.

The agrarian upsurge awaited the successful settlement of the Prairie provinces – Manitoba, Saskatchewan and Alberta – during the so-called ‘wheat boom’, a period between 1896 and 1913 when the export of wheat dominated Canadian economic life. It was during this time that the design of the Confederation of the British North American colonies, effected in 1867 and redesigned in 1878, finally ‘clicked’ and the pieces of the plan fell rewardingly into place. The Confederation strategy depended upon the West. The design – usually called the National Policy – included the following elements: the construction of an all-Canada transcontinental railway; the erection of a tariff wall to encourage domestic industry; the settlement of the Prairie West with farmers who would produce grains, mainly wheat, for export and who would serve as a protected market for Canadian manufactures; and the establishment of a new investment frontier for foreign and domestic
finance capital in the new agrarian region. The strategy had been despairingly husbanded during the world Depression of 1873–93 and many had come to believe that it was a foolish dream.

In 1896 prosperity began to dawn, the ‘wheat boom’ of 1896–1913 began. In terms of the fate of the Prairie West the key to the boom lay in declining transportation costs and rising prices for wheat which ‘suddenly brought the virgin resources of the Prairies within the scope of the international market and within the range of profitable exploitation’.

Among the other factors involved in the boom was the availability of free and cheap land – land sold for $3.36/acre in 1901 which only became $11.30/acre by the 1930s. Add to these salubrious conditions the fact that the booming American frontier was for all practical purposes settled, and the conditions for both a massive jump in population and a consequent unprecedented leap in occupied and improved lands in the region were established.

The speed of settlement and agricultural development was unprecedented in Canadian history. In the period from 1896 to 1913, 1 million people moved into the three Prairie Provinces, occupied lands increased from 10 to 70 million acres, and wheat produced jumped from 20 million bushels to 209 million bushels (Royal Commission, 1940, pp. 67–8). For the first time the Confederation design was functioning as it ought to have from the beginning; for example, ‘the value of the exports of wheat and flour alone in 1913 was greater than the value of all exports in 1896’ (Royal Commission, 1940, p. 63). The Prairies were filling up as population moved in and followed the railway to every corner and wheat was being produced in undreamed-of quantities. In the period 1896–1913 it would not be an overstatement to say that ‘the settlement of the Prairies dominated the Canadian economic scene’ (Royal Commission, 1940, p. 74).

But the production and the export of wheat and the resulting east-west railway traffic was only one cornerstone of the original design. Out of the boom one element of the original capitalist designers of Confederation would gain much – the investors in transportation, the speculators in land, the middle-men who dealt in the international grain market, the banks and trust companies, and the commercial wholesalers and retailers who dealt in consumer commodities all benefited. However that was only one segment of the eager group that watched the final fruition of the long-postponed dream. The other major segment was made up of those industrial-capitalists who had finally abandoned illusions of reciprocity with the US and had moved to a strategy of industrialisation through protective tariffs. The role the West was to play here, too, was crucial.

The population which had been begged, cajoled, lured, and even deceived into coming to settle on the Prairies and to raise the wheat served many purposes. They were, behind the impenetrable walls of the