A Preliminary History of Rural Development Policy and Programmes in Canada, 1945-1995

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Introduction

The purposes of this document are to provide an interpretive and chronological framework for analysing rural development policy in Canada, to present a compilation of basic information on federal and some provincial policies and programmes since the Second World War, and to undertake an initial assessment of the effectiveness of these policies what worked and what did not. This report is intended to serve as a resource for those interested in the making of rural policy. It has been developed in the context of the New Rural Economy research initiative undertaken in 1997 by the Canadian Rural Restructuring Foundation (CRRF) with the help of various sponsors, including the Government of Canada.

The term preliminary in the title reflects the fact that many components are known to be incomplete, and are intended only to serve as starting points or signposts toward fuller examination of issues by others in the future. This document is accompanied by two others entitled Policies and Programmes for Rural Development and Resource List for Rural Development, in which most programmes and initiatives named below can be cross-referenced to obtain additional information. Given the number of programmes, governments, and years surveyed, there are certain to be many significant errors and omissions. **The authors would be grateful for all indications of where improvements could be made in future revisions.** Please write or e-mail any comments, suggestions, or references. We regard this as a public and evolving document contributed to a public and evolving process.

A key question is, why should governments be concerned with rural development?

In the beginning, government interest in the welfare of rural areas was strategic. Rural Canada was settled in order to occupy space and assert sovereignty first by French and British colonial authorities, then by the Canadian confederation as it settled the Prairies under John A. Macdonald's National Policy. In this sense, rural policy was about **land**: and to the extent that land (and sovereignty) matters to governments, rural matters to governments. As settlement occurred, rural Canada supported the bulk of the country's population. While the proportion has declined, 1991 statistics show that, by OECD definitions, almost one-third of Canada's population is still considered rural so to the extent that **people**, voters, or citizens matter to governments, then rural matters. Urban and rural social systems are in any case tightly interlinked. Distinctions between one and the other are artificial and arbitrary. Through much of Canadian history, according to an influential school of thought, rural areas have produced the staples fish, fur, grain, minerals, lumber whose handling, processing, and spinoffs have made urban Canadians prosperous. If **commodities** matter wealth creation, exports, jobs then rural areas certainly do. Calculations of the subsidies that go to rural areas, including of the costs of rural-development programmes, often ignore the massive flows of staples and capital and wealth, from rural areas into urban. Cities do not survive without rural areas. If **economic integration and social cohesion** are important policy objectives, then the well-being and development of rural areas remains fundamental.

Given these realities, it is not surprising that different governments established policies and programmes that differentially affected rural areas in the fifty years after 1945. Indeed, upon reflection, what may be surprising is that they did not adopt more programmes, or better ones.

The Political Economy of Rural Development

Policy toward rural regions in Canada has been shaped by the economic, social, and political context within which it has been made. This context has been one of pervasive, fundamental, and rapid social-economic change. There have been short-term ups and downs, and great differences between regions, but the overall pattern is clear enough. The history of rural Canada from 1945 to 1995 was, overall, a history of survival in the midst of relative decline. This perceived and experienced decline greatly affected the outlook of rural people, and also the attitudes of governments and officials toward rural areas.

The changes affecting rural society were the result of a constellation of forces governing rural relations with urban areas and the economy as a whole. Three large themes of postwar Canadian history stand out as especially significant for rural development policy. These themes are urbanization, structural change in the economy, and the rise and fall of the Keynesian/welfare state.

Urbanization

Urbanization has been one of the most powerful social trends in Canada since the Second World War. The growth of large urban areas, in particular, literally changed the landscape of Canada. This massive urbanization altered the situation of rural communities and transformed the rural-urban relationship in complex ways.

Pierre Camu has identified the rural-urban divide as a major social differentiation in postwar Canada, comparable to ethnic and occupational divisions. (Camu 1991, 52) As early as 1931 more than 50% of the Canadian population was urban (living in towns and cities), but by 1961 this had grown to 75%, and a growing proportion of urban residents were in very large, metropolitan centres. These changes in demography increasingly marginalized rural residents as a smaller and smaller, less and less numerically influential portion of the Canadian population. In the mid-twentieth century, rural leaders in most parts of Canada had spoken with authority and with the conviction that they represented the majority or the dominant part of the population. In Qu_bec before the Quiet Revolution, the Catholic clergy and small-town nationalist elites reinforced a rural mythology of what it meant to be French Canadian, and regarded cities as foreign and deviant. This association of rural with the people, though it had a distinctively nationalist tinge in Qu_bec, was not unique. Rural leaders spoke with similar moral authority in other parts of the country. Urbanization and related social changes in the two generations after 1945 undermined such assumptions of rural majority, and moved rural community from the centre to the margins of Canadian society.

Changes related to urbanization also altered the balance *within* rural populations. The population living on farms, for example, declined faster than the rural population as a whole. From 1951 to 1986 the farm population fell by over 60%, from 3 million (21% of the population) to fewer than 900,000 (3.5%). (Robinson 1991b, 283) More and more rural residents lived in small towns rather than on farms, and were not directly engaged in primary production. Perhaps most importantly, rural areas were dramatically affected according to whether they lay near to or far from growing metropolitan centres. Near large cities, the arrival of commuters, second-home owners, hobby farmers, branch plants and retired former city dwellers transformed former rural communities. Often... the newcomers ... take over local organizations, associations, and even politics, sometimes coming into conflict with long-established residents or creating different groups among the newcomers. In short, a new set of Ônational’ and essentially urban values are brought into the countryide, overshadowing the Ôlocal’ rural values. (Robinson, 1991b, 287 and 288) For regions that lay outside the urban orbit, outmigration kept the population stagnant or even led in some areas for example, parts of the rural Prairies to net population declines. Young people, especially, became scarce. More than ever before, the countryside is being placed under urban pressure: on the one hand from urban sprawl and, on the other, from the continued loss of population from the more remote rural communities to urban centres. (Robinson, 1991b, 287)

These pressures on rural society are undeniable, but their nature, direction, speed, and uniformity can be easily overestimated. The *perception* of rural decline has quite likely led many urban people, and many government officials, to regard rural problems as marginal: questions of adjustment, that will go away in time. But reports of the death of rural Canada have proven to be greatly exaggerated. Using 1991 census data and the international definition of rural and remote regions developed by the Organization for Economic Co-operation and Development (OECD), a federal interdepartmental committee recently calculated that 9.0 million Canadians live in rural and remote regions close to one-third of the population of the country. (Canada [Interdepartmental Committee on Rural and Remote Canada], n.d., 9) Despite relative decline (and in some areas absolute decline) in population, despite the inmigration of urban people, despite the penetration of urban values and lifestyle, rural Canada persists. Changes within this population people moving from farms or smaller towns to larger towns, changing occupational structures have perhaps been more dramatic than the overall loss of people from rural regions to large-urban ones.

The survival of rural Canada may appear remarkable, depending on one’s assumptions. It is certainly testimony to the tenacity of rural people and their attachment to rural culture and social structures, which they have sustained in the face of notable challenges. The social disruption and economic instability of the postwar period added to social problems faced by rural Canadians. These Canadians as a group had, in 1991, significantly higher unemployment, lower income, fewer physicians, less education, and less adequate housing, than the country-wide norm. There is also a racial dimension to these inequities. Rural Canada has a relatively large and growing proportion of people of Aboriginal ancestry. Clearly a large number of Canadians are affected by rural problems. Clearly it still makes sense perhaps more than ever? to employ the category rural as a tool for analysis and policy-making. But this category has to be employed knowledgeably and with a broad view of the relationships and interconnections that are involved.

Urbanization has not gone so far as may popularly have been imagined, and in any case it does not, cannot eliminate rural areas or make city and country into unconnected worlds. Urbanization may appear to create populations who are cut off from the land, from rural areas, but this is appearance only. Urban economies in Canada are intimately dependent on rural industries and commodities; urban people remain connectected, through relatives but also through culture and history, to rural roots. In this sense, the contrast between urban and rural is little more than an arbitrary line drawn on a map. The Canadian Council on Rural Development, which was influential in the 1960s, stressed: Rural development ... cannot be considered in isolation from regional development and regional development involves urban development. Rural and urban sectors are, in fact, intimately interconnected by a network of social and economic relationships. (quoted by Phidd 1994, 195) This is perhaps the key reason why rural development matters to Canadians in general: rural dwellers do not live in some separate world, but in one intimately connected to all Canadians, including urban ones.

There are, in fact, many reasons why urban people feel connections to rural places, and why there is a substantial reservoir of support among Canadians in general for rurally oriented programmes. Generational factors are part of this: due to the rapidity and recentness of urbanization, many Canadians are only a generation or two off the farm. Although they are urban, they may still be strongly influenced by and sympathetic to rural values. Geography is also a consideration. Although rural Canada has a smaller proportion of the population than used to be the case, it does not cover a significantly smaller area. Despite its small numbers, the farm population, and Canadians dependent upon primary activities as their main economic support, dominate vast parts of the country. (Robinson, 1991b, 283) The vast expanses of rural Canada make a powerful impact on the imagination, even of city dwellers who only glimpse those expanses through an automobile window. Cultural factors may be particularly important. Rural communities have had a special role in construction of national and regional identities. Rural life and communities have been sources of characters, ideas, and myths for Canadian writers as diverse as Margaret Laurence, Robertson Davies, Timothy Findley, W.O. Mitchell, Bill Valgardson, and Alice Munro to name only anglophone writers of national stature. (See Robinson, 1991b, 284-5) In Qu_bec, rural myths *Maria Chapdelaine, Menaud Ma”tre-Draveur* played a powerful role in early construction of national identity. The cultural importance of rurality to Canadian identities may explain the enduring importance of rural Canada to urban Canadians. To this should be added the rise, or resurgence, of environmental values since the 1970s. The idea of getting back to the land has a continuing hold on the urban imagination, expressed for example in concern for the environment by people whose daily lives may seem distant from it. Through appreciation for rural settings, and through toruism and recreation, urban Canadians vicariously experience closeness to the land.

For all of these reasons, rural Canada continues to have an importance out of proportion to the one-third of Canadians who live there. In practical terms, this has meant a continued willingness on the part of an increasingly urban public to support rurally oriented programmes and policies. On the other hand, the declining size and cohesion of the rural population means that programmes have not necessarily been shaped in their interests. Public sympathy for rural Canada does not, by itself, translate into policies that are good for rural Canada.

Structural Change in the Economy

Along with urbanization has gone a structural shift in the Canadian economy marked by the decline of agriculture as a proportion of economic output and o even more o as a proportion of the labour force. Agriculture has declined numerically relative to every other sector of the economy. Agricultural employment fell by 1970 to 37% of 1939 levels, while every other broad category increased. (Phillips and Watson 1984, Table 2, 31) Even forestry o another primary-production industry o was higher in 1970 at 105% of its 1939 employment level (though it had peaked at 202% n 1945).

Thus to a significant degree the growing crisis in Canada’s countryside was legitimately perceived as a crisis of agriculture. Programmes for agricultural development, or to facilitate redeployment of the agricultural labour force into other sectors, became large parts of government’s overall activities in the area of rural development. The idea that what rural areas needed was programmes to support agriculture, to support agricultural prices or products, or to facilitate agricultural adjustment became dominant themes in government programmes through at least to the 1980s. An inherent tension in these programmes was that governments promoted increased production even when this meant larger and more mechanized farms, and therefore a smaller labour force o thereby hastening the basic social trends of employment decline and outmigration with which rural people were, in part, concerned. To a significant degree, policies promoted the economic interest of agriculture in ways that were presumed to address the needs and interests of rural Canada, but did not necessarily do so.

The decline in agricultural employment reflected international factors, including strategic development of higher agricultural production in many other countries. Output increased, particularly, in Europe, where concerns with wartime food shortages led to the identification of self-sufficiency in food production as a high national priority. European populations accepted programmes to subsidize agricultural production through high prices, with publicly funded agencies buying up the excess production occasioned by the high prices. This was the basic idea behind the Common Agricultural Policy (CAP), which became a major program of the emerging European Union. Such programs meant a closing of traditional markets for Canadian exports, especially grain; an increase in total world supply; and a general decline in prices outside of the artificially protected markets. Those sectors of Canadian agriculture that were dependent on export experienced these changes as a decline in prices and markets. Numerous government programs sought to improve agricultural efficiency or find new markets for grain. Other, more domestically oriented branches of agriculture (dairy production, for example) did not face such drastic changes, but did face the possibility of growing foreign exports into Canada, particularly from the United States. Systems of supply management and import restrictions developed in these branches to create stable market conditions for producers and consumers. This involved restricting domestic production, restricting imports, developing equitable pricing formulas reflecting costs and regional conditions, and managing relations among producers in different provinces.

The obvious fact of the relative structural decline of agriculture obscured other aspects of the problem. For example, fisheries also entered a similar long-term decline, occasioning equivalent rural crises in those areas where fisheries were important to local economies. As in the case of agriculture, the problem had origins both in world trends and in domestic policy. Larger and larger foreign fishing vessels contributed to depletion of fish stocks and economic decline of fishing communities; so too did the modernization and expansion of Canada's fishing fleet through the creation of larger vessels. Between 1959 and 1974 the number of larger fishing vessels in the Canadian fleet increased fivefold, mainly due to government programs. (Bumsted 1992, 295)

But it is not accurate to view these trends as some inevitable transition from primary production to industry. It is true that some crude theories of economic growth in the past postulated a general progression from the primary (resource) sector to the secondary sector (processing and manufacturing), but these theories do not, especially in Canada, reflect the reality of the period 1945-1995. As a share of national output, manufacturing and construction remained roughly constant, starting at 30% of national output in 1946, rising to over 35% in the early 1950s, then declining to under 30% in the early 1970s. (Bumsted 1992, 277) Agriculture declined continually throughout the same period, but mining held steady and by the 1970s surpassed agriculture in output. A better characterization of postwar Canadian economic investment and growth would be that, while manufacturing did develop in certain areas (notably southern Ontario), the key transition was from the older primary industries of agriculture and fisheries to the newer primary industries of mining, petroleum, and forestry. Investment in these sectors, and in closely related processing sectors, led Canadian growth in the postwar era. Canadian trade became increasingly dependent on a small number of raw and processed materials. Among exports, forest and mineral products grew from 42% of all exports in 1939 to 58% in 1960, while the old staples like agriculture, fish, and furs fell from 20% to 15%. (Phillips and Watson 1984, 41). The new export commodities played an important role in financing the development of the whole country's economy and infrastructure.

The famous staples theory, developed initially by Harold Innis and then elaborated upon and modified by others, addressed these facts, and constitutes one of the more original and interesting Canadian contributions to theories and models of development. Innis interpreted and periodized Canadian history in terms of a succession of staple commodities produced here, on the margins of (European) civilization, for the manufacturing-dominated economies of the core nations. Innis's commodity-centred interpretation of history, and his analysis of the domination of peripheral areas by core areas, were significantly in advance of international thought, yet had little influence in Canada. (Weaver and Gunton 1982, 7-9; Brodie 1990, 156)

The popular view of the Canadian economy did not square with these facts and theories. Despite the gradual decline in relative importance of manufacturing as an employer in Canada, most Canadians continued to regard industrial development as the key to a healthy economy. (Bumsted 1992, 281) This preoccupation with industry contributed to a certain neglect of nonindustrial regions, a widespread assumption that only manufacturing or only industrial models could support growth and wealth. Where growth was promoted in nonmanufacturing sectors, it was often using industrial models that stressed mechanization, volume, and concentration.

From the point of view of rural development, there were two important differences between these new extractive industries and the old ones. First, a large part of the postwar economic growth was financed by foreign investment, particularly by American and transnational corporations. US direct investment in Canada doubled from 1945 to 1952, and again from 1955 to 1960. In mining and smelting, American ownership rose from 38% in 1946 to 70% in 1957. (Brodie 1990, 153) Second o and related to this o the new growth sectors were characterized by concentration of labour and capital. Agriculture and fisheries had been (and still are) widely distributed activities, with ownership and labour spread across large expanses of rural Canada. Rural Canada was settled extensively to suit these expansive and far-flung modes of production. By contrast, production in mining, petroleum, and forestry was much more concentrated in geographic and corporate senses of the word. Some areas benefited from the new growth sectors; many others did not. The new extractive industries did not correspond to the settlement pattern that created rural Canada. Broadly speaking, it was the Atlantic provinces that were left behind. The resource boom meant above-average public and private investment in Ontario and the West from 1951-64, and much-below-average investment in the East. (Brodie, 1990, 156)

The other key, expanding sector o which again did not primarily benefit rural areas in terms of employment o was government. The real growth industry was in the public sector: in 1946 just over 15% of Canadians were employed in the public sector; by 1970s it was nearly 35%. (Bumsted 1992, 277) Most of these new public-sector jobs were in cities. The relation of rural areas to the growth of government has been every bit as problematic as the relation of rural areas to industry, cities, and global markets.

Planners in the 1960s and 1970s, influenced by their understanding of the development theories of the time, neglected the actual development of the economy of rural Canada. Their models, and the programmes based upon these, continued to focus on an urban-industrial, manufacturing-oriented vision of the future. Planners and governments attempted, through rural development, to impose questionable industrial models onto rural areas.

The construction of backwardness. Somewhere in the midst of these sweeping changes to the social order urbanization and structural economic change rural areas began to be perceived consistently as backward. This perception has been of fundamental importance to the formulation of policy toward rural areas.

It is true that, in earlier eras, city people already did sometimes look down their noses at their supposedly simple country cousins. But as long as rural people were a majority, or at least a highly influential segment of society, they didn't let such prejudices interfere too much with government. And there were plenty of high-profile examples of rural activism and reformism: to name one outstanding example, rural women's political activism. It is often forgotten that Canada's first elected women politicians, Louise McKinnie (provincial, Alberta, 1917) and Agnes Macphail (federal, Ontario, 1918) were women from the farm movement. In the face of these and many other examples, it was hard to regard rural Canada as lagging. In many ways, rural Canada *was* Canada. This was what changed by the 1950s. Particularly to urban-trained, university-educated elites planners, public officials, researchers urban and modern were corollaries; rural and backward went together. As Bumsted, 1992 points out, through much of the postwar era the North was at least as disadvantaged as were rural areas; yet the North was seen not as backward, but as full of promise (297). If it is true that every problem can be viewed as an opportunity, then Canada in the decades after 1945 failed to regard rural society as an opportunity.

This kind of crude dichotomization urban/modern; rural/backward had its uses, even for rural areas. Such thinking helped draw attention to the need for special measures for rural development, and probably lay behind the groundbreaking policies of the 1950s-60s. But, on the other hand, such thinking marginalized rural areas, and cast rural development in a hopeless light, as something akin to Cnut ordering the tide not to come in. Who wants to resist modernity? Many planners, in Canada and around the world, worked from the premise that rural decline was in fact desirable, and should be hastened and assisted with incentives and transition programmes. In the light of these negative attitudes toward rural society, rural development was best justified as a compensatory strategy, not a developmental one: something to relieve rural poverty, to reduce social or political tension, to buy time. If rural areas could not be industrialized, then at least they could receive transfers from industrial areas. This might explain what could seem like a basic insincerity in government policy: there were many programmes, many acronyms, large amounts of money, but little development and even, over time, rather little genuinely rural content (*see below*). The ideas of assisting people to leave rural areas and traditional industries, and of regarding rural programmes as poverty programmes, are politically unpalatable and therefore rarely voiced. And yet, they complement each other, and have together underlaid decades of government policy.

Against this complicated and ambiguous history, the concept of rural development remains elusive. To use the term at all invites marginalization and attracts the scrutiny of cost-cutters who sense its marginality and react by trying to eliminate what is seen as yet another compensatory entitlement. There are, of course, many hidden subsidies to urban areas: museums, cultural events and institutions, government facilities, to name a few. These are not typically named urban development: they do not need to be named, because their purpose is taken for granted. But within the modernist paradigm, the purpose of well-developed rural institutions, such as forests, farms, regions, and cultures, is not necessarily accepted and taken for granted in the same way. This asymmetry is basic to the conceptualization of rural development as an area of policy. Rural development is named, and needs to be, because for the last half-century, and more, rural standards of living, institutions, and cultures have been systematically neglected, except for brief interludes of ineffective attention.

To summarize, the problem for rural areas was the transition from widely distributed extractive industries o in which many rural areas were heavily implicated o in favour of extractive industries characterized by concentration; and in favour of government. The economic changes exacerbated regional disparities because resources were unevenly distributed and foreign capital was selective about where it invested. The challenge was, in part, one of unequal geographic and social distribution of the benefits of growth. In the postwar period, it was considered to be the job of the state both to promote growth and to equalize its benefits.

Rise and Fall of the Keynesian/Welfare State

The massive expansion of government during and after the Second World War meant that the state played a much greater role than before both in economic development and in social policy. The roots of this interventionism lay in the experience of the Depression and particularly the Second World War:

> The war ... accomplished what the depression could not; it convinced government that the demands of the people could and must be met. The idealism and sacrifice of war made it clear that the country could not be permitted to sink back into the degradation of the depression. And the success of government management of the war economy was proof that government had the resources and the capability to protect its citizens. Government initiatives to do so took two forms. One was action to smooth out economic cycles, to avoid depression, by fiscal policy, encouragement of private

> enterprise, and, where absolutely necessary, direct government operation of certain industries such as petrochemicals. The other was the creation of the Ôwelfare state.' (Cross and Kealey 1984, 12)

These two broad perspectives or sets of policies arising out of the experience of the 1930s-40s, Keynesian economics and the welfare state, shaped the postwar order of Canadian society.

Keynesianism. The ideas of John Maynard Keynes are considered by some authorities to have been nowhere in the world more influential than in Canada. This, at least, was John Kenneth Galbraith's opinion. (Wolfe 1984, 47) The basic ideas of Keynesianism were, first, that it was the private sector that would produce growth; but, second, that the state had a critical role to play in establishing a framework within which the private sector could do its job. Fiscal and monetary policy, investment and tax regulations, transportation and infrastructure, all had to be devised in such as way as to assure the private sector's efficiency, and promote growth. Keynesianism was a specific form of state intervention to promote the private sector of the economy.

Underlying Keynesianism was an implicit assumption that social and economic goals could effectively be separated. Economic goals related almost exclusively to what private business found to be profitable. If private business did not find rural development advantageous, for example, then this was, in general, to be accepted as the verdict of the market. Growth was to be encouraged where it occurred naturally: that is to say, where the private sector found it appropriate and convenient. Some have dismissed this faith in markets as Horatio Alger models of growth and development (Weaver and Gunton, 1982, 9); they certainly were not especially beneficial to rural areas. Apart from industries like mining and forestry, most of the growth produced by the private sector after the Second World War was urban. Economies of scale and agglomeration effects (the conveniences resulting from many businesses being located close to each other) likely had a lot to do with this; so too did culture. Entrepreneurialism acquired an urban tinge, in conjunction with the representation of rural areas as stagnant and backward.

One of the most important roles for the state, in the Keynesian view, was to establish ground rules for the market that were considered equitable. In the case of Canada, a nation divided by geography and cut in two by the Canadian Shield, it was government's job to create a unified market in the first place. Beginning at the latest with John A. Macdonald's National Policy the protective industrial tariffs of 1879, the heavily subsidized construction of the Canadian Pacific Railroad, the settlement of the Prairies, and so on federal policies were designed to reduce or eliminate geography. Many of these nationalist-inspired market-equalization policies are particularly relevant to rural areas. For example, transportation subsidies such as the Crow's Nest Pass freight rates in the West and the Feed Freight Assistance Programme in the East can be understood as measures to equalize prices across the country, to eliminate differential transportation costs, and to permit high-cost and low-cost regions to co-exist on equal footing. Under these arrangements, the public pays to ship barley so that livestock or poultry might be produced in (say) St John's competitively with lower-cost regions. Such ideas of national uniformity were deeply embedded in postwar federal policy and have been only fitfully weeded out in recent years of deregulation. The persistence of such policies is, not least of all, because such ground rules ease the development of a national consensus on, in this case, agricultural issues.

Keynesian ideas did allow for the state to become involved in the economy as an entrepreneur, at least where there was no other suitable alternative. The increasing role of American multinationals was paralleled by the growing role of Canadian crown corporations, which were created by federal and provincial governments where it was perceived that the private sector was not addressing basic economic needs. (Bumsted 1992, 283) In many cases these crown corporations dealt with questions of economic infrastructure O transportation and communications, including railroads, ports, telecommunications, and utilities O which was a role that fit well within a Keynesian framework. These crown corporations supported the development of the private economy by building infrastructure for it.

The private sector was to produce wealth, supported by regulation, fiscal and monetary policy, and infrastructure. Inequities resulting from growth were not to be questioned as such, were not a matter for economic policy, but rather fell in the domain of social policy.

The Welfare State. The increased responsibility of the state to promote private-sector growth was accompanied by an increased responsibility to ensure services and wealth were more fairly shared. This was expressed in the development, particularly between 1940 and 1970, of a series of social programs similar in effect to those that emerged in the same period in almost all other western industrialized nations.

Perhaps the first and most fundamental social program was Unemployment Insurance (now Employment Insurance). UI arose directly from the crisis of the 1930s, though a federal-provincial reallocation of constitutional powers was required to establish the programme on a federal level in 1940. UI was made compulsory for specified occupations based on required contributions from employees, employers, and the federal government. Other social programs followed including hospitalization insurance in 1958, the Canada Pension Plan, and medicare.

One of the ways in which social-welfare programs worked to redistribute wealth was through federal-provincial transfer agreements. Health and most social programmes were provincial responsibilities; but transfers from the federal government were intended to create uniform standards. The consensus in postwar Canada was, in effect, that wealthier regions and levels of government should pay proportionately more in order to fund services of similar quality for all Canadians in all regions. The most important federal-provincial transfer mechanisms were set up by the Fiscal Arrangements Act of 1967 and subsequent Established Programs Financing acts. The idea of these laws was that the federal government would subsidize regions having lower tax bases so that all citizens would receive comparable services. Because of the challenges facing rural Canada, there was some congruence between regions with lower tax bases and regions that were more rural. To this extent and in a crude way, fiscal transfers permitted transfer of wealth to rural areas. As the funds in question were actually spent by provincial governments, however provinces containing varying mixes of urban and rural regions the actual benefit to rural areas would depend on the provincial spending decisions.

Keynesianism, welfare, and rural development. The dilemma raised for rural development, within this overarching framework of policy and conceptualization, was, is it an economic question (that is, does it have to do with private-sector growth), or is it a social question (that is, a question of redistribution and services)? Experience showed that the Keynesian separation of growth strategies from equity strategies was not useful in promoting effective and lasting rural development.

Numerous programs attempted to deal with rural problems within a framework of Keynesian economics, by attempting to create a structure of policy within which private growth would occur in rural areas. Historically, this was attempted first by sectoral programmes trying to support and market existing rural commodities. Some initiatives helped to find new markets for export commodities (e.g. Canadian Wheat Board sales to the U.S.S.R. and China); others to improve or maintain infrastructure and transportation (railroad policy and freight subsidies); others to regulate and protect domestic prices and markets (supply-management arrangements, quotas, tariffs, and marketing boards). All of these can be understood as efforts by the state to reduce barriers to the success of rural commodities. These programs represented and promoted a commercialization and a commodity-oriented view of rural development.

A second set of initiatives understood rural development as economic but regional in nature. The rural and agricultural challenges of postwar Canada came to be articulated in regional ways for a variety of reasons, including because of the differing degrees of ruralness and agricultural or fisheries dependency of different regions. It was inevitable, given these factors, that questions of agricultural and rural development would be intertwined with regional-development initiatives. A regional approach originated in the Agricultural Rehabilitation and Development Act of 1961 (ARDA), which provided for federal-provincial partnerships of differing natures in different regions. This was followed by institutions such as the Area Development Agency and the Atlantic Development Board (1962), the Fund for Rural Economic Development (1966), and the Department of Regional Economic Expansion (DREE, 1969). (Weeks 1991, 476-7) The Atlantic Canada Opportunities Agency (ACOA) and the Western Diversification Fund (WDF) are two later examples of development agencies created on a regional basis. The extent to which these functioned as actual agents of rural development even in the broadest sense of the term (see below) is open to question.

By contrast, programmes for the social development of rural areas were not prominent in the fifty years after 1945. However, universal social programmes, which strove to provide equal coverage and equal benefits to all Canadians, often involved *de facto* higher levels of transfers to rural residents, because rural Canadians were poorer, had lower employment rates, and so on. A few social programs, and notably unemployment insurance, were shaped in ways that reflected certain rural needs and interests. From a rural point of view, there were three significant features to UI. First, additional occupations were incorporated over the years o for example, fishers in 1956 o which gave the program enhanced importance for certain rural areas. Second, adjustments were made to benefits periods to reflect regional unemployment rates: in high-unemployment regions, workers could draw benefits after a shorter qualifying time and for a longer number of weeks. Rural regions of high unemployment o notably in Atlantic Canada o gained from these adjustments. Third, the federal government contribution to premiums represented a form of wealth transfer to groups and regions characterized by low wages and high unemployment. This redistributive effect ended with changes in 1989, however, when the federal treasury ceased contributing other than to premiums for its own employees. (Weeks 1991, 473-4)

It should be noted that the same considerations apply to universal public services and enterprises as to universal social programs. Government departments that strive to provide equal health services, or crown corporations that promote uniform standards of transportation, communications, and utility services, tend to provide disproportionate benefits to rural areas. In fact, cross-subsidization of rural users from urban taxation or commercial revenues can be seen as one of the basic policy objectives of the postwar era. While crown corporations were by definition commercial in nature, the relatively undifferentiated structure of rates and services concealed an implicit social programme of subsidized service to rural areas. The long existence of these cross-subsidies was, in effect, an unusual combination of social and economic policy. However, deregulation and privatization in the 1980s and 1990s considerably reduced these implicit subsidies. The implication of such changes is that, more so than ever before, rural residents either receive growth from the private sector, or transfers from government. Intermediate or complicating categories like socially responsible business or public entrepreneurship became, at least temporarily, less noticeable.

Determinants of rural development policy. To sum up, a number of historical forces conditioned the formulation of rural-development policy in Canada from 1945 through to at least the 1980s. These include:

¥ the relative decline of the old, extensive resource industries; the rise of the new, capital-intensive, largely foreign-owned resource industries; and the relative decline of manufacturing except notably in southern Ontario

¥ the expansion of a (mostly urban) public sector

¥ urbanization and the growing influence of urban-oriented thinking and policies

¥ the declining influence of rural Canada, and tremendous internal changes and disruptions within rural communities

¥ despite (or because of) this, ongoing public sympathy and support for rural issues

¥ the conflation of agricultural, or other resource and sectoral issues, with rural issues

¥ the perception of rural backwardness

¥ the Keynesian ideology of growth

¥ the preoccupation with industrial models

¥ the separation of economic and social policy

¥ the conceptualization of development as *either* private-sector in nature *or* as a matter of transfers, compensation, and welfare

One could add one more theme, which will emerge more clearly in the chronological analysis below: the growing influence of professionally trained, expert planners. By the 1960s, development was a science, or was believed to be, and those trained in it attempted in good conscience to implement international theories in Canada. In large measure, these theories formalized and accentuated many of the existing trends and tendencies described above. Rural populations became the objects or targets of development; they were to be brought the benefits of planning and infrastructure, made more productive, so that growth would follow; they were to be modernized, urbanized, industrialized.

It is important to see all of these trends, and the policies promoted by planners, as part of a period. Development policies and rural policies were determined by what was around them. Given the constellation of ideas and forces, things likely could not have been otherwise. This contextualization or periodization is important because of the widespread belief that society is now, in the 1990s, beginning to enter a postindustrial or postmodern phase. It is possible that recent changes in the political economy of Canada changes that bring ideologies of modernism into question might not be to the disadvantage of rural areas. The decline and rejection of Keynesianism, of big government, and of industrialism in the 1990s is the questioning of three trends that were of little advantage to most rural residents. Urban and industrial models, the growth of big extractive industries and government, were only selectively beneficial to certain segments and geographic regions of rural society. The separation of social and economic issues mired rural-development discussions in a frozen matrix of aid-as-welfare or development-as-commercialization of products. The decline of both government and manufacturing industry opens a door for the rise of the services sector, which may still be shaped in ways that might benefit rural Canada. The crisis of traditional Keynesianism may open the door for policies that more effectively integrate social and economic objectives, to the benefit of rural areas. The historical record as well as the future possibilities can best be understood with the aid of a more precise definition of what rural development has been, is, and should be.

Definitions and Concepts

As one writer has noted, in reviewing the history of social policy, various policies can either be viewed in isolation, or as a unified system in their total effect on various regions and communities. (Weeks 1991, 477) It is much more profitable, though more difficult, to do the latter. In terms of rural development, this means looking not only at individual programmes that were explicitly identified as rural development, but at the total effect on rural areas of the activities, policies, and interventions of governments. In order to do this, it is first necessary to define what rural development means, rather than to accept the self-identification or self-definition of certain programmes as rural development. Equipped with an appropriate definition, one can then inquire into which government programs are relevant and what their effect might be. This study distinguishes a broad and narrow conception of rural development.

Broad Definition of Rural Development

The relative and, in some areas, absolute decline of rural areas became apparent to policy-makers in the 1950s, leading to a growing appreciation of the need for rural development, and to efforts to define what rural development might mean. The Diefenbaker federal government decided to address the situation in 1961 with the Agricultural Rehabilitation and Development Act (ARDA), a landmark initiative and one of the first explicit attempts to create a national programme related to rural development. The ARDA contained an implicit definition of rural development when it defined its object as projects for the development of income and employment opportunities in rural agricultural areas. One of three subparagraphs concerning the types of projects covered by the law included an additional reference to the improvement of standards of living in those areas. (De Brou and Waiser 1992, 485-7)

Thus a broad definition of what policy-makers understood by rural development, based on the landmark 1961 legislation, would be the following: **rural development, broadly defined, denotes efforts to increase income, employment, or standards of living in rural areas**. A policy or programme, or a component of a policy or programme, with this intent or effect, can be understood as a rural-development measure.

An important ambiguity is expressed in the ARDA's reference to rural *agricultural* areas as its object. The extent to which rural development is about agriculture has been a largely unexamined assumption in the history of rural development in Canada. The ARDA implied that rural development was about more than agriculture insofar as any improvement in incomes, employment, or living standards was rural development; and yet it limited the applicability to regions dominated by agriculture, not to those in which forestry, fishing, mining, trapping, or other extractive activities were dominant. The definition used in 1961 appears deliberately to exclude the North. It appears to reflect the understanding that agriculture was a key part of defining what rural means, and perhaps reflected an understanding that the reason to undertake rural development lay in the structural crisis of agriculture. All of these reasons appeared more self-explanatory in 1961 than they appear today. With agriculture representing a decreasing proportion of the Canadian economy and of the rural population, it appears less and less justifiable to tie a definition of rural development exclusively to agriculture. Nevertheless, when rural development finds a home in governments, it is usually within a sectorally defined, industrially oriented agriculture ministry.

If rural is not defined by agriculture, then presumably it is defined by sparseness of population and distance from metropolitan centres. This is the approach taken by the OECD. Such a definition then includes areas that have some settlement and in which fishing or forestry, or mining, or other industries rather than agriculture, may be major employers. Unless one arbitrarily excludes it, the North seems to be included.

The ARDA definition also needs to be broadened in another way, if a historical survey is to be undertaken. It is not sufficient to consider new projects whose intention is to increase rural incomes, jobs, or living standards. Over the long term, many different government policies and programmes impact on rural areas in multiple and overlapping ways. The total impact is the true object of historical inquiry: not just new projects, but long-established and perhaps unexamined policies; not just those with the single purpose of rural development, but those with multiple purposes; and not just those that intended to promote rural development, but those that did so in fact. This study cannot systematically survey all of the policies and programmes that may have been undertaken with respect to income, employment, or standards of living in the North, fishing communities, forest communities, Aboriginal communities, as well as the agricultural south. The scope of such an investigation would be too vast and would include a large part of total government programming in Canada. Nevertheless, it is important to draw attention to the ambiguity of what rural development means, and to make some remarks about what else is out there and needs to be considered. One of the effects of looking at the broad canvas is to highlight how small the tiny corner is in which programmes and policies effectively, self-consciously, and coherently undertook development of rural people and communities compared to the vast washes of block transfers, compensatory policies, infrastructure building, and industrial incentives. The latter are also rural development, by the ARDA definition, and in fact are a much larger and more prevalent form of rural development, but an unexamined and perhaps unconscious one.

Rural development, broadly understood, includes the sectoral government programmes for industries that happen to be strongly represented in rural areas. A programme to help agriculture (or fisheries, or forestry, or arguably mining) can be presumed at least in part to be intended to increase income and employment in rural areas.

Infrastructure initiatives, public services, transportation and communications policies, programmes, and agencies, all involve rural development because facilities are built and services provided in rural areas, often on a cross-subsidized basis; because rural people are thereby aided to overcome the distances that are basic to rural Canada; and because rural commodities and products are aided onto regional, national, and global markets. Infrastructure, public services, transportation, and communication have a disproportionate effect on sparsely populated areas.

Social programmes and wealth transfer may also involve rural development. For example, unemployment insurance was historically used to support incomes in certain rural areas, notably those dependent on the Atlantic Canadian fishing industry. UI, as it turned out, was an income ... opportunity in a rural area, as ARDA spoke of, but contrary perhaps to what the framers of ARDA had in mind. By contrast, the Canada Pension Plan does not involve rural development (by any definition), since benefits are based on contributions, employment, and income, and so if anything, are biased against rural populations. Federal-provincial fiscal transfers may involve rural development to the extent that the poorer provinces also tend to be the more rural ones. Transfers increase services and wealth overall in provinces that are more rural; depending on what the provinces do with the transfers, rural areas may benefit. Similarly, transfers between provincial and municipal governments may involve rural development, if the formulas used support a more extensive network of rural governments and rural services than would otherwise exist.

These observations highlight two important points:

¥ Where possible, rural development needs to be seen within the broadest perspective of the interaction between governments and rural areas; and

¥ Where appropriate, an additional and more specific definition of rural development needs to be employed for the analysis of particular programmes.

For some purposes, the intuitive ARDA definition of 1961, though historically important, is too coarse a filter for sifting the rural development out of government policies. What the broad definition gives us is too much, though important to understand in general terms.

Narrow Definition of Rural Development

A narrow definition of rural development begins with the problematic nature of the term development. Development is usually taken to mean more of something desirable, and is often reduced to measurable economic quantities. Crude Keynesianism in many ways epitomizes this reduction of development to wealth, a system in which the only important variables are growth and redistribution. This has been the dominant approach within the modernist paradigm. Given the historical record, it ought to be questioned. And yet there has always been a related but different use of development to mean a more advanced civilization, a more satisfying life, a healthier and better society.

The differences between these differing notions of development become apparent if we imagine as is possible, and has at times happened communities that become wealthier and at the same time less developed. An example would be a community in which a new plant or a new programme creates wealth for a few, while in other respects accelerating the disintegration of the community as such. Particularly in cases such as this, increased wealth may increase community income in a statistical sense, yet flow quickly out of the community while benefiting few of the residents. Some would argue that this model is not hypothetical, but applies rather well to the rural Canadian Prairies, where billions of dollars earned on foreign markets by Canadian grain flow, on paper, through communities that remain impoverished in services and quality of life. One might also imagine communities that find the hoped-for pulp mill or the land-claims settlement to be less than a solution to their social ills. The reverse case can also be imagined, though one would not want to romanticize it: there may also be communities that become statistically poorer and yet stronger and more developed.

We must, then, distinguish between measures of wealth and measures (or qualitative indicators, or experiences and perceptions) of development. The ARDA legislation of 1961 hinted at this when it went, in the one subparagraph, beyond incomes and employment to mention standards of living.

Another useful distinction (following Baker and Hammond Ketilson 1994, 177) is to distinguish development in a rural area from development of a rural area. Creating or expanding a business or facility that happens to be located in a rural area may or may not benefit the local population, may or may not develop their health, satisfaction, and civilization. What improves these things is development of the area o development of *people*, of *community*, of *capacity* o that puts local people in charge and gives them more influence over benefits and outcomes. Compared to crude Keynesianism, the difference here is the attention to questions of power, social relations, participation by rural citizens, and development among them of new roles and new linkages. If crude development was about dollars, this refined version of development is about dollars plus culture. Values, social relationships, and social diversity are incorporated; the Keynesian dichotomy between the social and the economic is weakened.

Rural development, narrowly defined, refers to policies and programs, or components, whose effect is the development of rural people, rural communities, and rural areas. If, after the fact, rural people have more satisfaction, more involvement, and more control of their futures, then rural development has occurred.

By this definition, a wealth transfer or a commodity-price-support mechanism are not rural development o at least, not in and of themselves.

The concept of social capital may clarify some issues. Social capital, like financial capital, is a productive potential, something that can be put to work to make things happen. Unlike financial capital, it consists not of a reserve of money, but rather a reserve of relationships, organizations, and attitudes that facilitate people working together to reach a goal. (Putnam 1993) Social capital is increased when rural citizens work together, have established networks and norms of trust that allow them to accomplish things in common, and are effective in shaping the development of their own communities. Rural development, narrowly defined, occurs when not only the standard of living but also the social capital of rural communities increases. Examples include programmes whose purposes and effects include the development of rural people, of community leaders, of skills and education among rural populations, alongside the development of incomes, jobs, health, and living standards that rural people need in order to live satisfying and autonomous lives. Education, building of authentic organizations, cultivation of new leaders, acknowledgement of diversity and incorporation of previously marginalized groups, and building of lasting local capacity are characteristic aspects of such processes. Community Economic Development or CED is another term often used for such approaches, in rural or in urban areas.

While history shows that there have been many programmes and policies related to rural development, broadly defined, there have been few that explicitly and necessarily address this second issue, the development of capacity and social capital: rural development, narrowly defined. If the broad definition is rather broad for useful purposes, the narrow one is rather narrow. By this definition, perhaps a few projects und the 1960s ARDA and FRED federal programmes might qualify; some of what was done in provincial programmes for local economic development since the 1970s; and the Community Futures federal programme that emerged in the last decade. This would make for a much shorter report.

When dollar amounts are considered, the imbalance is greater still: vastly larger resources have been directed since 1945 at transfers, compensations, tax incentives, transport and communications subsidies, UI measures, and more, related to rural areas, than have been invested in actual, local human and social development. Yet analysis suggests that the more genuine participation is built into programmes the more capacity-building that occurs the more effective the programmes are at generating lasting development. Is the perceived failure of many rural-development programmes, and the general marginalization and neglect of the policy area as a whole, connected to this lack of rural development, narrowly defined? Why have governments committed vast sums of money, yet avoided approaches that have been proven to work? Insofar as history can answer this kind of question, the answer must lie in the dominant ideas and assumptions, as well as the constellations of political and economic forces, in the modernist postwar era. Perhaps regrettably, in terms of length, it is necessary to work with both the broad and the narrow definitions of rural development, in order to see what governments were really doing and what was actually going on in rural areas.

The Failure of Modernism: Rural Development Policies and Programmes, 1945-1995

Several conflicting impulses pushed and pulled rural-development policy in the postwar generations. These included the basic framework of economic policy as set after the Second World War; the emergence of resource and welfare policies; the clear articulation of regional interests and programmes; and the rise of regional planning, culminating in the Department of Regional Economic Expansion (DREE) of the 1970s. By contrast, the 1980s and 1990s were dominated by resource megaprojects and regional business-development funds on one hand, and the deregulation, privatization, or reduction of many public services to rural areas on the other.

To c. 1955: Macroeconomic Keynesianism

The post-Second World War era began with a fresh start in a vastly changed world. Many of the older assumptions about, for example, the role of government and the nature of economic development, had been swept away.

> The war ... accomplished what the depression could not; it convinced government that the demands of the people could and must be met. The idealism and sacrifice of war made it clear that the country could not be permitted to sink back into the degradation of the depression. And the success of government management of the war economy was proof that government had the resources and the capability to protect its citizens. Government initiatives to do so took two forms. One was action to smooth out economic cycles, to avoid depression, by fiscal policy, encouragement of private enterprise, and, where absolutely necessary, direct government operation of certain industries ... The other was the creation of the welfare state. Family allowances, federal support for housing construction, and funding for universities o these and other programs marked a wide extension of government responsibility in the immediate post-war years. (Cross and Kealey eds. 1984, 12)

Keynesian economic policies were clearly ascendant in the decade after the Second World War. The goal was growth, and to achieve this goal American and transnational capital were welcomed into the oilfields of Alberta, the mines and lumber mills of northern Ontario and Qu_bec and B.C. , and the automobile plants of southern Ontario. The state facilitated this growth with legal, monetary, and fiscal policies, and with infrastructure. Transfer payments and social programmes still on a somewhat *ad hoc* basis, continuing out of the pressing emergencies of the 1930s and 1940s helped address the problem of equalizing the benefits of growth. By and large, it was assumed that the economy was an integrated national unit; and that growth would, one way or another, benefit all regions and types of communities. Before the mid-1950s, there was no clear sense of a structural problem associated with rural areas.

Some previous rural programmes had tended to emerge from and be focused upon concrete environmental problems. This was notably true of the Prairie Farm Rehabilitation Administration (PFRA) of 1935, and its postwar counterpart, the Maritime Marshlands Rehabilitation Administration (MMRA) of 1948. The work of these agencies in land reclamation, improvement, and conservation was well-received but also low-profile and uncontroversial. Though such programmes continued, it would not be true to say that agriculture and rural issues had high priority after 1945, with one important exception.

In this period, rural Canada had powerful organizations and social movements: one should ask why rural issues were not more prominent. Examples include the Union Catholique des Cultivateurs in Qu_bec, the Manitoba Federation of Agriculture, and other general-interest provincial farm organizations; Prairie wheat pools, Coop_rative F_d_r_e du Qu_bec, and other co-operatives; the national Farm Radio Forum; and rural Women's Institutes and other women's organizations. Such groups did, as in previous decades, raise the issue of rural equality and standards of living. However, they were in many cases at the waning end of a long era of agrarian organizing, and perhaps in the relatively prosperous later 1940s, after the trying years of depression and war lacked militancy. Also, perhaps there was a tendency to solve the problem of the past rather than those of the future. Priority was given to modernizing rural Canada, making up for neglect of services and infrastructure during the crisis years of the 1930s-40s. Rural problems tended to be regarded as cyclical (again, with the 1930s-40s in memory), and were addressed with programmes for stabilization. But above all, rural problems were seen as agricultural. The identification of agricultural and rural was mostly unquestioned in these years, both among rural organizations institutionalized around agricultural issues, and among government officials accustomed to thinking of economic sectors as the focus of policy. This pattern of thinking and discussion militated against conceptualization of rural-urban relationships and development issues broadly conceived, in favour of sectoral issues.

Agricultural Products Marketing Act. The most important single measure of the early postwar years, for rural areas the one exception referred to above was the federal Agricultural Products Marketing Act of 1949. It should perhaps be taken as indicative of the continuing strength of rural movements and organizations and their agricultural interests. The act laid the basis for Canada's system of tripartite commodity-marketing boards, which have since handled vast quantities of rural products. As Cummings notes, because the participants in the programs of these boards are rural dwellers, their programs affect the viability of rural communities and therefore need to be understood as a form of rural development. (Cummings 1989, 15) By stabilizing markets and prices, marketing boards likely increased rural incomes and helped sustain dispersed and relatively small-scale agricultural populations. In various respects these marketing boards, as well as the older Canadian Wheat Board, embodied a philosophy that was, in the long term, at odds with the general tenor of postwar Canadian economic policy. Policy as a whole encouraged productivity and adjustment the rationalization of rural production. Marketing boards protected all farmers, and perhaps especially the smaller ones. Marketing boards and the CWB are for this reason perhaps best understood as responses (in part, reluctant responses) to the self-conscious demands of the rural population, rather than as measures inspired by development planners. This makes them only more interesting, not less so, in terms of rural development.

The other policies of this period, insofar as rural questions were addressed, tended to deal with agricultural productivity, market stabilization, and income stabilization, and did so in a broad-brush manner. This was largely consistent with the Keynesian outlook, in which the issues were simply economic, and in which governments had only to establish the right overall framework in order for particular industries and society as a whole to flourish.

The immense increase in productivity in agriculture, fisheries, and other resource industries began in the postwar years, funded and encouraged by government policies regarding research, technology, taxation, and investment. Government departments, research councils, universities, and colleges became involved in what increasingly amounted to a concerted, largely publicly-funded drive to expand production. Government and university extension agents conveyed information about new techniques and new technology to rural producers technology transfer. Subsidized credit for farm expansion, farm machinery, larger fishing boats, and the like, reinforced by taxation policies that rewarded the substitution of capital for labour, encouraged more modern and more mechanized rural production. All of this was not without effect. Along with the tendencies of the market, agriculture and other rural resource industries began a rapid transformation. This created other displacements, surplus labour that had to be retrained or relocated. Early programmes of this kind also date from this period, including the famous plan to consolidate and resettle the population of Newfoundland outports. Adjustment and transition policies were the logical corollary of productivity policies. All of these federal and provincial policies taxation, investment, labour training and mobility, and many other fields profoundly affected rural areas and shaped the nature and direction of their development. While one can guess that these programmes were significant in cost as well as in effect, there has been little research done to enable reliable conclusions.

By the mid-1950s, the framework was in place for what would later be consolidated and built out as the Canadian welfare state. The emerging social policy of Canada proved in the long run to be significant for rural areas. The impact of rural components of Canadian social programmes has been almost as seriously neglected as the impact of taxation and investment policies. With few exceptions, governments and commentators have tended to overlook what has been called the critical role of transfer payments in many rural economies. (Kerr 1994) Federal-provincial fiscal transfers one of Canada’s basic social programmes arose from the 1940 Rowell-Sirois Commission on Dominion-Provincial Relations, which articulated the goal of fiscal equity to ensure similar public services in different regions. The modern Unemployment Insurance programme was instituted in 1941. In 1944-45 federal transfers were expanded. But it was not until the Diefenbaker government renewed the federal-provincial tax abatement agreement in 1957 that equalization became firmly entrenched in Canadian practice. In the long run, equalization payments to provinces with lagging, largely rural economies, and unemployment-insurance payments to rural areas of high unemployment, far exceeded expenditures under any programme that was identified explicitly as rural.

The basic framework, then, was economic policies that encouraged productivity and growth; and an expanding system of social transfers to provinces and to individuals that was intended to equalize the benefits of uneven growth, to compensate for regional and social disparities. Within the policy architecture of Keynsianism, productivity policies and compensatory policies were the two chief pillars. For forty years, policy in essence never escaped this dualism programmes were either economic or social, productive or compensatory, with no middle ground. But though these approaches were enduring, they were by no means perfect. Within less than a decade after the end of the war, the first cracks had appeared in the Canadian consensus. They were articulated in terms of regional disparities.

c. 1955-1965: Populism and Regionalism

In historical terms, it did not take long for the postwar economic order to be called into question.

> By 1960 the bloom of catch-up consumption had wilted... and Canada, like France, Britain and the United States, found itself confronted with agricultural dislocations, massive rural/urban migration and industrial recession. The Prairies and the Atlantic provinces, once again, were the centres of public attention. (Weaver and Gunton 1982, 6)

As far as rural Canada was concerned, falling commodity prices after the Second World War and difficult economic conditions in the mid-1950s a sharp recession in 1956 played a major role. But another significant change was that more rural leaders began to perceive the problems not as transitory downturns, but instead as a long-term decline. Atlantic Canadians had perhaps been inclined since Confederation to regard their regional experience in this way. They were joined by Prairie farmers and many others. The apparent privileging of industry over agriculture, of city over country, was also tellingly articulated as the privileging of central Canada over rural peripheries.

At the federal level, it is customary to take the election of John G. Diefenbaker’s Conservative government in 1957 as a watershed for rural-development policy. Certainly Diefenbaker’s populist style helped mobilize agrarian discontent and the protest votes of rural regions in the Atlantic, Qu_bec, and the Prairies. The

Diefenbaker government's political sensitivity to grievances outside Ontario, and its activist rhetoric the vision of northern development and the like made rural and resource issues more prominent. It is customary to be derisive toward the Diefenbaker government's competence, but rural voters might be forgiven for favouring poorly thought-out policies over none at all. However ill-conceived and ineffective the rural development policies of the early 1960s may have been, they put rural development onto the federal agenda and challenged federal institutions and federal elites to come up with adequate responses to social and regional disparities.

While it is convenient for historians to date periods by elections and governments, it is also, at the same time, always misleading. There are many intellectual, social, and economic changes in society that do not wait for election day. There is no magic to the year 1957, especially when provincial rural-development policies are considered. In Saskatchewan, for example, it would be more accurate to date a change in outlook from the 1954-56 Royal Commission on Agriculture and Rural Life. Newfoundland is a special case because the circumstances of its entry into the Canadian confederation in 1949 created permanent issues of (largely rural) development. Other provinces might choose different dates, but most would likely lie in the mid-1950s.

The 1958 report of the Gordon Commission on Canada's Economic Prospects reflected the new thinking of the times, and was highly influential in the years that followed. The Gordon report highlighted continuing gaps between regions; it was soon followed by the first federal-provincial tax-sharing agreement entrenching the concept of equalization (Douglas 1994a, 87), and also by Canada's first explicit rural-development policies. Particularly influential was the study by R.D. Howland, entitled *Some Regional Aspects of Canada's Economic Development*, which was conducted for the commission. The study documented the persistent gap between richer and poorer provinces, and attributed it to the contrast between the resource dependency of the poor regions and the modern financial and industrial structure of the wealthier ones. This analysis had a profound impact on subsequent thinking about regional policy: that the problem was the gap, not its causes; and that provinces were the units upon which policy was to be focused. (Lithwick 1987, 124) These assumptions, though they facilitated action, in the long run likely doomed that action to failure. The next thirty years showed that the causes of the gaps do matter, and need to be understood and addressed; that ideas of modernization versus backwardness may be simplistic; and that provincial development does not necessarily entail rural development.

One of Diefenbaker's election themes had been the development of northern Canada. In the late 1950s this promise took shape in the Roads to Resources programme, one of the first expressions of the new development-oriented vision. Over six thousand miles of road were constructed under the programme, which was eventually incorporated into ARDA (see below). (Douglas, 1994b, 87) Other early initiatives included regional Winter Works programmes in 1958-9 and 1959-60, which aided against seasonal unemployment and helped demonstrate that regionally oriented programmes were feasible. (Lithwick 1987, 126). Increased concern for regional disparities, the Diefenbaker government's drawing attention to the periphery and the north, and the theories and approaches in the federal civil service, combined and interacted to unleash a parade of rural-development acronyms in the 1960s.

ARDA. The Agricultural Rehabilitation and Development Act (ARDA) of 1961 was the first of these. (It was later renamed the Agricultural and Rural Development Act, with the same acronym.) The origins of the act can be traced back to the Senate Committee on Land Use, which in the early 1960s focused on the issue of rural poverty. As the committee saw it, poverty was related to marginal farms, and the solution was to focus on the best areas to produce certain crops. (Douglas 1994b, 87) This thinking identifying issues in terms of poverty rather than general development, solutions in terms of increased productivity in traditional industries lay at the root of pioneering rural-development programmes in the 1960s. These programmes rapidly evolved beyond and away from what appeared initially to be a focus on quality of land and rationalization of farms.

In 1961 parliament passed An Act to Provide for the Rehabilitation of Agricultural Lands and the Development of Rural Areas in Canada, article one providing for ARDA to be used as the short title. (De Brou and Waiser eds. 1992, 485-7). The act began: Whereas agriculture in Canada is undergoing technological changes that necessitate adjustments on the part of many Canadians engaged in this basic industry in order to maintain or raise their standard of living... As both the title and preamble indicate, the beginning point and focus was agricultural adjustment. The legislation itself was short, simply empowering the Minister of Agriculture to enter into agreements with provinces in one of three categories: Projects for the Alternative Uses of Land, Rural Development Projects, or Soil and Water Conservation Projects. Rural development appears to be defined in the act as projects for the development of income and employment opportunities in rural agricultural areas, although one of the three subparagraphs goes beyond income and employment to mention the improvement of standards of living in those areas. In this way, general rural development was contained or permitted within the agriculture- and income-oriented ARDA legislation.

How much rural development, narrowly defined, actually occurred, depended heavily on the regional implementation of the federal-provincial subsidiary agreements. Well-focused regional studies are needed to determine the effectiveness of this kind of programme. The available information seems to indicate that most ARDA projects were infrastructure projects, agricultural or fisheries productivity projects, or adjustment and relocation projects. This was, in other words, still top-down Keynesian economic thinking, public planners creating conditions to make private-sector growth more efficient; but simply brought down from the federal level to the provincial or regional level. There is little indication that ARDA projects genuinely involved rural residents in shaping programme directions and goals, that they effectively integrated social and economic goals, or that capacity-building was a major focus. Indeed, some accounts suggest that a chief contribution of ARDA to capacity-building lay in the mobilization of rural residents to oppose ARDA projects, including resettlement schemes. ARDA did lead to targeted investments in rural areas, and did lay a basis for future economic and social development. It did not, however, live up to its promise of increasing rural living standards. More and more new programmes emerged in the 1960s to attempt to fill the rural policy deficit.

Atlantic Development Board (ADB). The 1962 Atlantic Development Board was initially a research and advisory body, but soon administered a $186 million Atlantic Development Fund. Its approach focused on research and infrastructure development, driven by expert planners fit well with ARDA.

Area Development Agency (ADA). In contrast, the Area Development Agency, established in 1963, was an early step in what has been called the federal government's dramatic shift in emphasis from rural and infrastructural development to urban industrial growth. (Brodie 1990, 172) This shift was underlain by growth-pole theories of development, which were taken to mean that resources should be concentrated in promising, basically urban-centred regions. Development would then spread outward from the growth poles to the surrounding regions. In line with this thinking, ADA offered tax concessions, and later capital grants and other support, for business relocations, expansions, and job creation within designated regions characterized by high unemployment. Federal officials attributed tens of thousands of jobs to these measures, and were convinced of the success of the approach, which was later generalized in the Department of Regional Economic Expansion (DREE) after 1969.

Fund for Rural Economic Development (FRED). The Fund for Rural Economic Development (FRED), 1966, has been called one of the more comprehensive and integrated approaches to economic development ever undertaken in Canada (Douglas 1994b 88). FRED was the high point of the movement toward integrated regional planning. It selected just five severely disadvantaged regions: Prince Edward Island, two regions of New Brunswick (the Mactaquac central region, and the northeast), eastern Qu_bec, and the Interlake region of Manitoba. Within these regions, federal support was provided for education, training, mobility assistance, business development support, infrastructure assistance, and development of comprehensive rural adjustment and development strategies. (Douglas 1994b 88) Although well-received in the professional literature where academics have approved of the integrated, strategic regional plans FRED was short-lived and was soon absorbed into DREE.

If one tries to generalize about rural development before DREE, two points stand out. The first is the striking wave of policy and programme experimentation set off under the Diefenbaker government. Diefenbaker, a populist outsider, had helped attract Ottawa's attention to regional disparities and rural development. His ministers and officials, notably Alvin Hamilton, who was responsible for Roads to Resources and ARDA, gave some substance to the regional rhetoric. ARDA put in place a new federal-provincial policy approach; it also articulated very long-term and perhaps unrealizable objectives. The subsequent government, the reformist Liberal minority government of Lester Pearson, inherited a regional issue and high expectations. Planners devised new programmes. The result was scores of federal-provincial agreements and numerous new policies and programmes over a period of almost a decade. But amidst this flux there was also a trend, foreshadowed by ADA and FRED and this is the second striking point. As policy evolved, rural development shifted almost imperceptibly toward regional planning (FRED) and industrial incentives (ADA). DREE was the culmination of a decade of experimentation; and yet, by the time DREE came, not much rural development was left. Populism had been tamed by planning.

c. 1965-1980: Rise and Fall of Technocratic Planning

In acknowledging the issue of rural development and attempting to address it, governments opened a Pandora's Box. The ills and expectations that were given the light of day exceeded the will, financial resources, and conceptual tools that governments then had available. While rural-development policy became in certain respects better formalized after the early years of ARDA, in other respects it was progressively transformed and diluted. It is tempting to interpret this as a process by which elites Ottawa civil servants, planners, and politicians above all, but also their counterparts in provinces regained control of the awkward rural issue, and converted it into a regional-industrial issue that better fit the framework of Keynesian assumptions. The sketchy ideas of ARDA gradually gave way to more focused, centralized, and institutionalized planning: in a word, technocracy. As experts and planners took control, regional development and industrial expansion became the focuses of policy; and all of this was swallowed up into federal-provincial constitutional struggles and political conflicts. In the end, the issue became so attenuated that it could safely be dismissed.

For 20 years, 1961-81, development planning, based in part on the vocabulary and allusions of regional science, formed an integral part of Canadian federal and provincial policy. (Weaver and Gunton, 1982, 6) Lithwick attributes much of the change in the 1960s to the federal political situation and the centralist reformism of the Pearson Liberal government. Demands from the reform wing of the Liberals and from the New Democratic Party, in a situation of minority government, led to a broad range of social programmes. This philosophy of compensatory policy was to have major long-term consequences. It led to a fundamental redefinition of the regional disparities issue, and fostered a spate of regional policies that were likely to inhibit rather than promote regional development. (Lithwick 1987, 128) Regional development was understood as a short-term transfer to alleviate rural poverty, to be conducted by centralized means. In effect, during a period of vast expansionsion in the Canadian welfare state from 1965-75 government transfers to individuals increased by over 400% (Brodie 1990, 156) rural development was conceptualized as another kind of centralized social programme. The centralist trend was accentuated during the Liberal government of Pierre Trudeau after 1968.

Department of Regional Economic Expansion. The Department of Regional Economic Expansion (DREE), created in 1969, was a creature of the new era. DREE combined and integrated the alphabet soup of programmes for regional development that had emerged during the flurry of federal activity in the 1960s. This included the locational programmes as well as human resource development and infrastructure programmes. DREE took over responsibility for or absorbed PFRA, MMRA, Roads to Resources, ARDA, ADB, ADA, and

FRED, among others. DREE served not only to combine initiatives but at the same time to centralize decision-making in Ottawa and to expand federal control. In terms of issues of control, Trudeau believed strongly that Canada was threatened by the excessive devolution of fiscal and hence political power to the provinces. DREE was to be an instrument for reasserting federal power. (Lithwick 1987, 131)

However,there was more to DREE than consolidation and centralization of programmes; there was also a perceptible shift in orientation from rural development and towards regional urban and industrial development. This shift was facilitated by the growth-pole theories of development then in vogue, which suggested to Canadian planners (crudely put) that the way to develop rural areas was by developing nearby cities. In general terms, DREE altered the existing programmes by shifting the balance from a worst first emphasis o assistance to weak industries in poor regions o to supporting stronger sectors with more growth potential. Areas eligible for the industrial incentives program were expanded by 1971 to include 50 percent of the Canadian population, opposed to only 18 percent eligible under the previous policy. (Weaver and Gunton 1982, 13) Regions like Montr_al were now eligible for assistance. In all, 23 growth centres were designated for special assistance: infrastructure, training, industrial development. Thus as the programmes grew better-defined and more systematic, they became less rural, more regional, more industrial, and increasingly on easily quantified objectives like job creation. Regional policy had moved away from the comprehensive regional development approach under FRED to project funding subject to efficiency measures such as jobs created per dollar expended. (Weaver and Gunton 1982, 14)

Weaver and Gunton see the establishment of DREE in 1969 as the beginning of a major shift to a new regional policy based on the dominant international paradigm. (1982, 13) DREE embodied an effort toward rational planning based on modern ideas of concentrating resources in promising growth poles to drive economic progress (a trail blazed by ADA). This idea that prosperity would spread from or trickle down from urban or industrial growth centres was, however, according to Brodie, a mistaken interpretation of international development theory. The growth-pole theory, as developed in other countries, was not about locations but about *types* of industry, propulsive industries that were capable of growth as well as of creating and sustaining a series of economic linkages. But DREE showed little concern for type of industry. The industries haphazardly chosen by DREE did not produce circles of growth around themselves. (Brodie, 1990, 175) If Brodie is right, then DREE's major strategy was not only politically controversial and economically unsuccessful: it was also wrong in principle.

The new department and its growth-pole strategy were roundly criticized from their inception. (Brodie 1990, 174) Officials in the federal department of finance; in industry, trade and commerce; and in Treasury Board resisted DREE's approach. Some critics argued that Liberal patronage was involved. Provinces were dissatisfied with the high degree of federal control. Standard economic indicators did not reveal much impact at all. (Brodie, ibid.) Under these pressures, DREE was reorganized and reoriented. The special areas program that had been determined almost unilaterally by Ottawa was eliminated in 1974. (Weaver and Gunton, 1982, 14)

General Development Agreements (GDAs). DREE, beginning in 1974, adopted a more decentralized approach of General Development Agreements or GDAs between each province and the federal government. GDAs were vehicles for flexible, collaborative agreements between the federal government and individual provinces. The GDAs identified broad development strategies, and were complemented by more specific subsidiary agreements. These financed capital grants, forgivable loans, infrastructure investments, and other programmes on a 50/50 cost-shared basis between the two levels of government. From 1974-1981, 117 Subsidiary Agreements were signed with 9 provinces. (Douglas 1994b 88)

But this was not decentralization to rural regions, nor to rural people. Rather, GDAs were just a different saw-off between federal and provincial bureaucrats. As in the Pearson years, key policy control appeared to lie at the bureaucratic level; now the only change was that this included provincial as well as federal bureaucrats. (Lithwick 1987, 135-6) In some cases the GDAs also had the effect of qualifying DREE's growth-centre emphasis; when provincial bureaucrats wished, programmes could focus more on rural development as such. Contradictory policies were pursued at the same time in different regions, sometimes within the same region. While there was still a strong emphasis on concentrating development in growth centres such as Halifax, Montr_al and Saint John, there was also a return to subsidizing the expansion of staple industries in rural regions. (Weaver and Gunton 1982, 14) Basically, GDAs pursued two quite different strategies simultaneously: to subsidize weak rural staple industries, and also urban growth centres.

Weaver's and Gunton's figures concerning active GDAs as of 1980 (1982, 14-15) show wide variations among provinces, with large amounts of funding going to highways and infrastructure; to forestry, pulp, and paper; to various regions including urban areas as well as the north; and to a lesser degree to agriculture and fisheries. Highways dominated as the largest single category in both Qu_bec ($449 million in federal funds) and Newfoundland ($101 million), while Qu_bec was also receiving $200 million for water treatment. Forestry was a relatively large item in Qu_bec ($322 million, plus $150 million for pulp and paper), Ontario (pulp and paper $150 million, forestry $82 million), New Brunswick ($74 million), Newfoundland ($67 million), and Nova Scotia ($58 million). Northern development was the largest item in Manitoba, Saskatchewan, and Alberta ($155 million, $127 million, $55 million). Much of this was presumably rural development by the broad definition. From the overall agreements and financial summaries, it is difficult to analyze what was done to determine whether rural development by the narrow definition occurred. For this, regional studies, preferably of a longer-term, contextual nature, are required.

In assessing FRED programmes, DREE, and GDAs in northeastern New Brunswick, Donald J. Savoie finds that effectiveness is hard to judge authoritatively. The expenditures, though large, relatively speaking, were not large enough to be able to assess their impact in relation to other economic forces... The objectives of the development agreements were extremely broad and thus of little benefit even as a checklist against which to assess the projects. He concludes that the only feasible approach is to compare the status of the region after the programmes to the status before, and analyze the role the programmes may have played in the changes. In this light, the relocation programmes were complete failures, which was undoubtedly welcomed by rural residents. The designated growth centres shrank slightly; the small villages grew contrary to programme objectives. Employment grew by amounts exceeding provincial and Canadian averages from 1961-81, but many of the jobs were unskilled primary-sector jobs contrary to the planners' intentions. Population growth meant that unemployment remained high. Income levels rose relative to national and provincial averages but the largest contribution to this increase was likely the change in Unemployment Insurance regulations during the 1970s. *Earned* income fell relative to other areas. There was better infrastructure, higher income, and a higher absolute number of jobs: but (except for the infrastructure) apparently not due to the programmes.

Savoie's explanation for the limited success of twenty years of programming: The approach adopted in the northeast was essentially a Ôtop-down' one, by and large overlooking historical processes. It ignored the Acadican culture of the region. Planners dismissed what rural residents told them at public hearings, that they were happy with seasonal employment as long as they could retain their language and culture. Planners simply assumed that what was required was a new economic structure patterned along the lines of the most developed industrial regions of Canada. So industrial parks were built. Savoie compares this development approach to Pacific cargo cults. Glittering objects were put out, in hope of attracting a shining silver bird of industry to land there. This created high expectations, but in the end the federal government proved unwilling to intervene in business decisions. It was assumed that corporate decisions must ultimately prevail, and that the only role of government was to offer lures to influence the decisions of businessmen.

Some other writers also highlight a tension between the ideas of planners in the 1960s-70s, and their position of power within government agencies, and the ideas and power positions of rural residents, who were hardly involved in a meaningful way in what was supposed to be their own development. One suspects that a Savoie-type analysis of most other regions would be likely to show similar results: namely, that these largely technocratic programmes, designed with little rural control, made little detectable difference to the status of the regions concerned. They reflected the Keynesianism of decision-making elites, who were willing to use public resources to build infrastructure and to help business, who believed they knew better than the affected populations in the regions, but who really did not know what to do when business failed to play ball.

Entirely apart from the successes or shortcomings of these programmes, the times were changing. What is now termed globalization made a major impact on world economies with the oil-price shock of 1973. An era of inflation and deficits followed, then in the early 1980s a brutal recession and painfully elevated interest rates. This was the closest thing to a general crisis of the Canadian economy since the 1930s, and in this environment the public sector and public policy came under mounting pressure. Planning, whether national or regional, was no longer in vogue. Social programmes were criticized, especially from the political right. After nearly forty years of hegemony, both pillars of the Keynesian consensus planned growth and compensatory social programmes were undermined. Wolfe sees the later 1970s as a watershed when the postwar approach to macroeconomic planning by governments faltered. The shift from Keynesianism to monetary gradualism in 1975 signalled the end of the post-war era in Canadian economic policy and the abrogation of the post-war political compromise. (Wolfe 1984, 75) The later 1970s saw the end of the delicate balance between the interests of capital and those of wage and salary earners. The new era was one of a one-sided preoccupation with the concerns of business.

c. 1980-1995: The Rise and Fall of Megaprojects

In the midst of Canada's worst postwar economic crisis, governments began to turn to resource megaprojects as possible motors to pull the economy out of recession and to spur growth. Also in the early 1980s, DREE was eliminated and regional development was scattered among many departments. In the hierarchical world of government, an issue with many homes is similar to one with no home. Nevertheless, despite the orphan status of regional and rural development (and possibly in part because of it), a few departments and agencies, responding to unique circumstances and mandates, developed innovative rural-development policies. That this policy innovation occurred after the abolition of institutions that were devoted to regional development might lead one to speculate about an inverse relationship between development bureaucracies and development, or between regional approaches and rural ones. But in any case, the conditions were different. Acute levels of unemployment and a growing sense that old approaches no longer worked contributed to experimentation at two extremes of development policy: with megaprojects and with community economic development (CED).

As already noted, dissatisfaction with DREE came from several sources, and the shift to GDAs made no fundamental difference to the acceptance of DREE. First and foremost among the critics were of course the provinces, who had particularly disliked the pre-1974 approach of the department. But if the provinces were happier with the post-1974 approach, federal policians were not. Irksome to the federal Liberals was their view that the provincial governments were claiming the bulk of political credit for the GDA programs. GDAs heavily committed federal resources, but in ways that were not visible and did not bring recognition to the federal government. And third, other departments of the federal civil service were still not enamoured of DREE. Transport; Energy, Mines and Resources; and Industry, Trade and Commerce regarded GDA programme objectives as parochial compared to their own national mandates. (Lithwick, 135-6)

Demise of DREE. In early 1982, DREE was combined with the industry side of Department of Industry, Trade and Commerce to create the Department of Regional Industrial Expansion (DRIE). DRIE served to continue the declining federal activity in regional development, particularly its locational incentives. (Douglas

1994b, 89) Existing DREE agreements were allowed to lapse and replaced with supposedly less complex ones. GDAs were replaced by Economic and Regional Development Agreements (ERDAs) as tools for federal-provincial cost-sharing. A 1983 Industrial and Regional Development Programm (IRDP) offered broadly based support for economic and especially industrial development, including marketing and feasibility studies, venture-capital searches, funding for nonprofits and development organizations, tourism development, grants, forgiveable loans, product development, and so on, but this was sharply reduced the following year. (Douglas 1994b, 88) A Ministry of State for Economic and Regional Development (MSERD) was created to co-ordinate development, reflecting an approach that made all departments responsible for regional development. (Phidd 1994, 190) In effect, MSERD was to replace DREE's integrative and co-ordinating role; but it was disbanded in 1984. (Douglas 1994b, 89)

Cummings concludes that The demise of the rural and regional focus and the move to an industrial orientation was confirmed in 1982, when DREE was abolished. (Cummings 1989, 13) The replacement institutions, DRIE and MSERD, did not have regional considerations as a necessary focus. Only the federal department of agriculture retained rural development as a (small) part of its mandate.

> With the move away from ARDA and FRED type rural development programming to DREE and subsequently DRIE and MSERD, there was a decrease in the emphasis on integrated social and economic programming, and an increasing emphasis on capital investment in physical infrastructure and financial incentive as a strategy...

Most of all, however, there was an increased emphasis on discrete and direct federal involvement in high-profile, large-scale resource developments: megaprojects.

Megaprojects. The 1980s have been characterized as the era of megaprojects. (Weaver and Gunton 1982) This approach did not emerge overnight, and took shape under several successive governments. According to Douglas the 1979 ministry of state for economic development was created to focus on sectoral development needs, the resource sector and the growing political preoccupation with mega-projects like the tar sands project in northeastern Alberta. (Douglas 1994b, 88) In November 1981 the federal government endorsed large-scale natural resource developments as the appropriate focus for the future. (Weaver and Gunton 1982 29; Lithwick 1987, 139) Provincial governments were essentially following the same course. In many cases governments themselves intervened as direct participants or as entrepreneurs in resource megaprojects: examples include the National Energy Programme (NEP), the BC Resources Investment Corporation, the Alberta Energy Corporation, the Potash Corporation of Saskatchewan, and many others.

These megaprojects had the advantages of attracting and focusing public attention. Their scale seemed to match the scale of the economic problems perceived by Canadians. The number of jobs they promised was respectable in comparison to high levels of unemployment. They were also regional in nature, and spoke to regional interests and regional grievances. The one significant downside was that they required immense investments or guarantees at a time when governments were plunging head over heels into debt.

Reliance on megaprojects was soundly criticized at the time, by some. No one can pretend that the policy was chosen for lack of articulation of criticisms and alternatives. Critics said the megaprojects approach was formulated in an intellectual vacuum, and in our judgement [is] tantamount to abdication from regional concerns by the federal government. *Massive resource exports do not equal economic development*. (Weaver and Gunton 1982, 31) A few years later, J.D. House advocated that

> The focus should shift more to maximizing spin-off benefits from existing and new goods-producing industries; to producing more on a modest scale to serve local and regional markets; to developing sophisticated but appropriate technologies for local industries and communities; and to decentralizing economic decision-making to promote community self-reliance.

House continued that, besides reforming education and income-security programmes, we need to broaden our conception of Ôwork' to include all productive activities that contribute to household well-being, and a viable household economy should be promoted as the true foundation of a healthy regional economy. (House 1988 [lecture delivered in 1986-7], 117-18) These principles for communities would certainly also apply to rural communities.

Regional development funds. Funds for business development in the large Atlantic and western regions were another characteristic approach of the period. These were federal instruments that might go some distance to supporting the kind of smaller enterprises advocated by House; while as large regional funds they would also have some of the same good optics and political impact that a megaproject could have. In 1980 a Western Development Fund was proposed and provided for in the federal budget with, initially, $4 billion. The purpose was to support business development in the West. Four years later, the terms for the fund had still not been worked out, due to opposition from western premiers, and the status of the whole enterprise was in doubt. (Douglas 1994b, 88; Lithwick 1987,141)

Western Diversification (WDF). It was not until 1987 that the Western Diversification Initiative was announced. Western Economic Diversification Canada was established as a department of government with its headquarters in Edmonton O the first department with headquarters in the West. The department was created with the business community in mind and was set up to work more like a business than a government department. Its substantial budget was used to support promising business ventures and to develop products from and markets for the western provinces.

Atlantic Canada Opportunities Agency (ACOA). The Atlantic Canada Opportunities Agency (ACOA) was established in 1987 to foster business development. ACOA provided support for entrepreneurship, innovation and technology transfer, marketing and trade development, training, infrastructure, andrural diversification. Sectoral development programs negotiated under earlier ERDAs and follow-up agreements continued in various parts of the country

There were also parallel agencies for other ventures such as FEDNOR in Northern Ontario, 1987, and the Qu_bec Major Industrial Projects Subsidiary Agreement, 1988. All of these agencies, though less so ACOA, might be characterized as agencies for development in regions rather than development of regions. They did not attempt regional development in the sense of the comprehensive and integrated (small-) regional planning of FRED or even of ARDA and GDAs. With respect to ACOA and WDF, Cummings remarks, the new regional agencies, established for Western Canada in Edmonton and for Eastern Canada in Moncton, were responsible for what had been DRIE programmes. They are dominantly oriented toward the private business sector. Despite the return to regional offices, similar perhaps to DREE's, there appears to be little evidence of a return to comprehensive social and economic programming as in the days of FRED and ARDA. (Cummings, 14)

Provincial local- and business-development programmes. Throughout the 1970s and 1980s,provinces had also become more active in promoting business development in localities, mostly independent of comprehensive regional planning. At first these programmes typically focused on aiding municipalities to aid business; later, programmes were more typically targeted at groups of municipalities and provided funds or incentives for intermunicipal co-operation. Main Street revitalization programmes became common in the 1970s. Some form of local-development corporations or similar initiatives were created in most provinces by the 1980s. Provincial programmes copied and borrowed from each other across the country. They had the effect of creating new networks of development partnerships and organizations. In some cases, local-development agencies created not only jobs and businesses, but also significant local organizational capacity and potential. The focus of these programmes, or their take-up, was often rural, both because local governments in rural regions saw a more pressing need for economic development, and because rural areas often had many more local governments relative to population. (*See the attached Policies and Programmes for Rural Development, section Business Development*)

The effect of federal and provincial discontinuations of old programmes and launching of new ones was to confirm the shift from rural development to business development, and to make this emphasis pervasive at all levels of government. DREE had in some ways led the way in this kind of activity, with its targeting of areas, its locational grants and incentives; by the 1980s such activities had been effectively decentralized down to the level of municipalities or groups of municipalities. Federal regional funds like WDF and ACOA worked, or attempted to work, hand in glove with provincial programmes and local-government agencies. In the shuffle of roles and responsibilities among three levels of government, rural development largely disappeared as an issue during the 1980s. Where the term was used, it often meant either sectoral programmes for agriculture or infrastructure (much as the term had been used in ARDA days) or sectoral programmes for small business.

Changes in rural public-sector institutions. These were also years in which other not-so-obvious forms of rural development were sharply curtailed. The fiscal crisis of all levels of the Canadian state and a wave of privatization conditioned these cutbacks; but perhaps so too did the lack of an overall vision of the historical role of the state in rural areas. Freight subsidies in the West were ended; railroads and post offices were privatized; telecommunications monopolies were deregulated; agricultural subsidies were transformed from deficiency payments to insurance plans. Even marketing boards, an almost untouchable subject for rural producers, were questioned by interest groups and some provincial governments, with the federal government watching carefully. Post-office, rail-line, and military-base closures aroused anger directed at the federal government from rural residents, while hospital, school, and other closures created controversy in provincial politics in many provinces.

Individually each of these decisions may have been justified in light of cost-benefit analysis and the need to reduce government deficits. Together they constituted a massive, simultaneous withdrawal of jobs, services, and open or hidden subsidies from rural Canada, which led rural residents to regard them as something more like a betrayal. In fact, the elimination of cross-subsidies and rural public facilities, very much in tune with the tenor of the times, was indeed a reversal of a historic conception of how the Canadian confederation defined equity for its citizens. It may be that rural residents never received equal services and equal benefits, and it may be that this is not possible: hospitals just cannot be fifteen minutes' drive away, as they may be in the city. But the relatively abrupt policy changes of the 1980s-90s were retreat from ideals, and a sharp adjustment to fiscal and economic changes that had been a long time developing. Perhaps most important was that these changes occurred with little context, and little coherent debate about the future of rural areas.

Community Futures. It is, in one sense, puzzling that a programme identified by many knowledgeable commentators as Canada's closest approximation to community economic development, or CED, should have emerged in an era of megaprojects and cutbacks, and from an employment-oriented department at that. CED is supposedly about focusing on local capacity-building, not only on products and businesses. It is gradual, small-scale, and decentralized. It may be, though, that CED had a small niche as a logical complement to the megaprojects, the regional federal funds, the business-development programmes that dominated the 1980s.

Employment and Immigration Canada (now Human Resources Development Canada) launched Community Futures in 1986 as a job-creation and economic-development programme that was designed to work in areas, particularly rural areas, where other approaches did not. Community Futures Areas were formed voluntarily, a growing number joining the programme over the following decade. The key actors in each area were a Community Futures Committee of local volunteers, a Community Futures Consultant to assist them and monitor their success, and, in most areas, a Business Development Centre (BDC) acting as a financial instrument for business startups.

Several key features qualify Community Futures as a respectable CED programme, and as possibly the only federal programme that has systematically and necessarily embodied rural development in the narrow sense. First, programmes in local areas were run by local volunteers. Second, these committees had real power and real resources. For their first years of operation, Community Futures committees had access to almost $100,000 annually in core operations funding, in addition to funding for BDCs and other purposes. Third, they were trained for their roles. A distinctive feature of the programme has been its emphasis on training human resource development in the areas of community economic development and strategic planning. And fourth, a degree of comprehensiveness and integration of strategic planning was promoted, especially in that boundaries, committees, and activities were co-ordinated with municipal and provincial programmes. It is true that the programme remained economically focused, reflecting the mandate of the department administering it; and that local committees were rather precisely bound by contracts and programme terms. It is unclear how often committees tapped marginal groups and nontraditional leaders within their communities. These are significant qualifications.

One accomplishment of Community Futures was that it catalysed a discussion of CED and attractedthe attention of provincial governments, some of whom were already investigating similar ideas, and some of whom were not. CED had long been advocated by community activists, by academics and extension educators, and by those with practical hands-on experience with it. It was only around the time that Community Futures got going, and thereafter, that governments paid more attention to it. The declaration in Newfoundland and Labrador of a New Regional Economic Development based on principles of CED is a sign of th official public attention now paid to the topic. (Newfoundland 1995) There is as yet insufficient history to judge whether these kinds of pronouncements by various levels of government amount to lip service only, or whether, on the other hand, CED approaches will become more common relative to the commodity-, sector-, regional-, and business-development approaches of the past.

Federal rural-policy reorganizations. Not only community economic development but also rural issues have received increased attention within the federal government. A number of new structures and approaches may indicate the beginning of a renewed federal focus in this area. An Interdepartmental Committee on Rural and Remote Canada was created in 1990, which brought together representatives of twenty federal departments and agencies. In the mid-1990s this committee met about monthly for, primarily, information sharing, collaboration, consultation, networking, and research. (Donnelly, 1994) Concrete results included better documentation of rural Canada and articulation of rural issues that cross departmental boundaries. (Canada. [Interdepartmental Committee on Rural and Remote Canada.] n.d.)

Stephens credits the Conservative government under Prime Minister Kim Campbell with having demonstrated renewed federal interest in rural issues. (Stephens 1994, 166) For the first time a Minister Responsible for Small Communities and Rural Areas was named (who was, at the same time, Minister of Agriculture and Agri-Food). The following Liberal government of Jean Chr_tien, disliking the idea of ministers with interdepartmental mandates, opted instead for the creation of a small office to co-ordinate interdepartmental work. In 1994, the Minister of Agriculture and Food announced that a Rural Renewal Secretariat was to be created. This secretariat was conceived as a doorway through which people who are interested in rural issues can enter the department, with responsibilities for information, communication, collaboration, research and analysis. (Stephens 1994, 166-68) The Small Communities and Rural Areas Secretariat, as it took shape, was conceived as a small interdepartmental secretariat, a single window on rural issues; bringing tog. 10-20 people from various departments. The secretariat supported the interdepartmental committee and concentrated on the development of partnerships. (Clemenson 1994)

It is too soon to tell what the results of these policy and co-ordination efforts might be.

Preliminary Analysis of Rural Development Policy, 1945-1995: What Works? What Doesn’t? (Was there any?)

Three writers who reviewed the history of rural-development policy in the United States concluded that, while the United States had an active and in many ways highly successful agricultural policy, it had the rhetoric but never the reality of an effective rural development policy. Especially the policies implemented in the 1970s as Ôrural development’ were essentially rural industrialization policies, attempts to induce private capital to contribute to economic development in certain rural areas o a trickle-down approach to the poor. (Janvry *et al.*, 55 and 65) There are many respects in which Canada and the United States are different, but this they have in common: their elites planners, officials, academics shared similar paradigms and theories of development in the post-Second World War era.

Overall, the history of the period can be seen as the saga of the federal government’s entry and its substantial retreat from regional development in Canada. (Douglas 1994b, 89). The entry might be seen as a result of a particular perception of decline and backwardness in the 1950s, as well as the populist mobilization of regional and rural grievances by Diefenbaker and others. The retreat, this paper argues, began almost immediately, and proceeded in several stages. No sooner were rural and regional development grievances articulated, than they were reconceptualized in terms of modernization-oriented regional-planning theories. Before the end of the 1960s, planners had taken control of the issue away from rural people, and the shift was underway from rural development to industrial development. In the 1970s their efforts fell afoul of the conflict-ridden federal-provincial relations of that era, so that in the end provincial planners had to be allowed into the game. In the 1980s all of this was swept away by a perception of economic crisis and of globalization, by megaproject theories, and by business-development programmes at federal, large-regional, provincial, and local levels.

In light of all this, others have suggested that the federal government was never really in rural development in the first place. I suggest that there has not been a persistent rural development policy in Canada, writes Phidd. To the extent that a rural development policy exists, it has emerged as an adjunct to agricultural, forestry, conservation and recreational policies, to name a few. And again: The economic development and regional development policies followed since the 1950's clearly demonstrate that rural development was not perceived as a central concern of the Government of Canada. (Phidd 1994, 188 and 192) Another concurs. Neither Quebec nor Canada, wrote Bernard Vachon in 1993, has a policy that is specific to rural regions .... It is as if they belong to a bygone era in which decline was just part of the natural order of things, and their disappearance was just a matter of time. There are industry-based policies that cover agriculture, forestry and fishing. Their implementation does tend to slow down the exodus and the resulting depopulation. (Vachon, 1994, 107) It is worth quoting Vachon’s observations at length, because they apply to much more than only Qu_bec:

> To ensure the development of a satisfactory way of life for a community, it is necessary to go beyond industry-based interventions, especially in the case of those industries that are (a) replacing labour with capital; (b) that are going off-shore for cheaper labour sources; and (c) may be economically marginal anyhow. Overall development policies that take social, cultural and environmental factors into account need to be put in place. Such policies would favour diversification of the traditional economic base, ensure equal access to the material comforts engendered by the nation’s collective prosperity and provide a quality of life for the population.
>
> One must acknowledge that government measures and development proposals for rural areas have fallen far short of this approach. Sustainable businesses cannot be created in a social and cultural desert. In a demobilized and unstructured environment, one must act upstream from job creation, in other words, act in such a way as to increase the *will* and the *ability* of the population to become agents of and partners in their own development.

Only at the end of the period under examination were there some programmes, like Community Futures, that approximated this approach.

To a certain extent, it is impossible to assess the success of rural development policy in Canada, because there has not been an explicit and coherent policy, certainly not at the federal level and apparently not in most provinces either, particularly not for rural development narrowly defined. Yet lack of coherent policy has not hindered the commitment of large sums of public money, the largest of which were committed relatively unobtrusively through programmes that did not have rural in their titles. Rural development, broadly defined, has been extensively and expensively undertaken through research and productivity programmes, tax and investment policies, resource-development and infrastructure policies, income transfers to provinces and to individuals. These policies and programmes have dwarfed the expenditures that were explicitly identified as rural or as development.

Lithwick concludes that there are also grounds for serious doubt about the depth of federal concern over regional development. In fact, most federal regional efforts have gone into compensatory policies, with very little being directed to actual development efforts. In the period 1973-1981, when regional policy had become a serious and reasonably well articulated goal of public policy, real disparities actually worsened for all of the poorer provinces, save Quebec, whose position remained roughly stagnant. (Lithwick 1987, 143) To make his point about the low priority accorded to rural development compared to simple transfers and compensatory policies, Lithwick presents the following table (149), which summarizes federal financial commitments under various regional programmes and compares them to transfer payments:

Comparison of Average Annual Federal Transfers to Provinces, With Annual Averages of Selected Economic and Regional Development Program Expenditures by Period ($ Millions)

	1946-57	**1957-63**	**1963-68**	**1968-73**	**1973-81**	**1981-83**
Area Development Incentives Act	-	-	17.4	35.0	-	-
Atlantic Development Board	-	-	22.1	40.0	-	-
Agricultural and Rural Development Act	-	3.7	15.8	22.7	24.1	12.3
Cape Breton Development Corp.	-	-	-	39.2	53.6	114.7
Fund for Rural Economic Development	-	-	6.1	34.6	44.1	-
General Development Agreements	-	-	-	-	224.1	257.2
Maritime Marshland Rehabilitation Act/	3.5	15.7	25.1	10.6	-	-
Regional Development Incentives Act	-	-	-	88.6	93.9	134.7
Roads to Resources	-	9.0	5.7	1.1	-	-
Technical and Vocational Training Act	-	84.2	162.1	1.2	-	-
Trans-Canada Highway	15.9	53.6	64.5	21.3	1.2	-
Winter Works	-	4.2	-	-	-	-
Total of Selected Programs	19.4	170.4	318.8	294.3	441.0	518.9
Total Federal Transfers	346.5	943.5	1,583.8	4,000.3	11,377.0	19,374.3

Program Transfers as Percentage of Total
Program Expenditures Excluding Technical

Lithwick's point with this table is clear. The federal government spent between ten and twenty-five *times* as much on block transfers to the provinces, as it spent on programmes Lithwick identified as regional and rural development. Lithwick's figures also show that regional disparities decreased, but only as an effect of transfers. Personal income per capita exclusive of transfer payments did not significantly narrow over the period 1947-83 (146). To return again to the terminology of this paper, rural development in a broad sense may have occurred, since income per capita went up in the poorer, more rural provinces. Yet in a particular sense, some rural areas were no more developed, no more self-reliant, and were simply dependent on transfer payments of various kinds. Perhaps equally important is that even the programmes identified by Lithwick as development programmes cannot, in many cases, clearly be shown to have resulted in meaningful development.

One should not say, though, that there was no policy toward rural areas: only that it was not open and explicit. The historic federal-provincial systems of resource development and transfers *are* a policy a Keynesian policy of promoting efficient private-sector growth through macroeconomic interventions and infrastructure, and of equalizing benefits through transfers. It is not palatable, or has not so far been palatable, to articulate openly a strategy that relegates rural areas to welfare dependency in the way that this one does. Perhaps, with what is seen as the collapse of Keynesianism after the 1970s, there is an opportunity to reassess how urban areas and governments relate to rural areas across a wide spectrum of policies, interventions, and interconnections.

So what *did* work? Apparently, some ARDA and FRED projects the Interlake district of Manitoba is most frequently mentioned. Some provincial programmes for local economic development, where these engaged local residents in a broad and integrated way. Some Aboriginal development corporations and other mechanisms operated by Aboriginal people. Community Futures, as far as we can tell so far. And what do these have in common?

With these few exceptions, there was a *minimum of public participation* and virtually no community development. Fundamental issues related to long-term capacity development, democracy, and effective diversification were rarely addressed. The response of the federal government to interregional economic disparities in Canada, at times compensatory, at times developmental, rarely engaged communities. (Douglas 1994b, 90) Apedaile concurs that participation by rural people is an essential ingredient for success, yet one that has been sytematically ignored, neglected, and undermined in the relations of the state with rural people. Dominance is an overriding feature of partnership between rural institutions and government. Governments like to speak of partnership, but partnership implies a degree of equality in a participatory arrangement. This equality is always absent in relations with government because of its regulatory, legislative, budgetary and bureaucratic strength. Government officials have plenty of room to control the process. Outcomes unsatisfactory to the dominant parties may be changed by stopping or extending the participation and exhausting the resources of rural institutions and volunteers. Usually, the participatory process is steered around to a negotiation format, in which any of the standard techniques and tactics may be brought to bear upon citizen committees. Rural participants in consultative processes eventually tire in the game of chasing opportunistic government handouts or regulatory adjustments... Apedaile concludes that partnership cannot be the basis for participatory rural development. More authentic models of participation must be found that deal realistically with existing power relationships. (Apedaile 1993) Without attention to local process, even programmes that are designed to be development programmes will not be.

Where the communities, rather than the planners and programme designers, had the initiative and the control, rural and regional development programmes scored successes. Where they didn't have control, development was deformed. A Saskatchewan study found that narrow definitions in programmes and lack of a comprehensive definition of community economic development had led to problems in co-ordination, fragmentation of programmes between departments, and frustration as well as pragmatic opportunism among community leaders. The study noted the creation of a generation of Ôprogramme grazers' o community and municipal leaders who have become adept at accessing funds. They Ôwork the system,' and tend to break the community development principle of the commitment of local resources first. (1994, 195) One of the Weapons of the Weak, to quote historian James C. Scott (who has written about the resistance of peoples in developing countries to the state), is to adapt outwardly to the terminology and behaviour desired by the dominant party. Do rural people do this? Do they comply outwardly while harbouring deep-seated suspicions about partnerships and participation? Does this perpetuate patterns of underdevelopment?

What Have We Learned about Rural Development Strategies? asked one experienced rural development specialist in 1994. The answers: success requires continuous human capacity building. There has to be planned development at a community level rather than top-down development. More attention has to be paid to diversification, marketing, and consumption, less to primary production and megaprojects. There has to be better integration of programmes. Intercommunity co-operation is essential: in the region in question, there has to be a critical mass, but at the same time, the concept of growth-centre theory is in some question, especially if the growth centre is metropolitan in nature. The social sciences and humanities are underrated as a basis for rural development planning. Communications technology may help speed up development. (Baker 1994)

It is hard to imagine a more concise and persuasive list.

Some argue that pursuing such approaches means finding appropriate and accountable mechanisms for *ongoing* government funding of development organizations, not tied to products, short-term projects, or phase-out periods, as even Community Futures funding has been. Fuchs observes, related to Newfoundland, that phasing out of government developmental support has not been successful. It is not realistic, he argues, to expect local people in communities that have scant resources to carry development agencies after they have been started with public funds. As Fuchs sees it, most of the successful projects in the last twenty-five years would not have happened or would not still exist if government funding had been phased out. Governments mut make a clear choice. Either rural and community economic development organizations are participants in the production of a public good, and are thereby deserving of continuing operating support, or they should enter into the marketplace and attempt to compete with the already sparse and undercapitalized private sector in rural Atlantic Canada. (Fuchs 1994, 66-7) Fuchs draws attention to a key problem in rural development. If the goal of development is, in part, to build capacity, then why should programmes not focus on capacity-building itself, rather than on other, material outcomes quantified by planners? One might add, if this kind of development really is wholistic and integrated, how can segmented, hierarchical, and competing government departments plug into it?

These kinds of questions remain open, and create a certain ambivalence at this historical moment. At a 1994 conference, some participants worried that senior governments are not Ôreally buying into' the bottom-up process. Information and fiscal resources are not being transferred to local groups. Identifying the Ôbottom' in a bottom-up process was also flagged as an issue if capacity-building is fundamental, we have to avoid ending up by relying only on existing local elites. (Rounds 1994) If there is a renewal of commitment to rural areas and to rural *development,* by federal and/or provincial governments, these kinds of issues will be high on the agenda.

The three American writers quoted at the start of this section believe circumstances are changing in the 1990s. The foresee a new political space for rural development, and propose a four-pronged approach built around policies for farms, for households, for communities, and for labour. (Janvry *et al.*, 55) It remains to be seen whether new political spaces are opening in Canada, whether there are opportunities to reconceptualize the role of the state in relation to rural areas, and whether there is a genuine willingness to undertake community-based rural development and avoid the planning and megaproject excesses of the past. There may be some signs of slow movement. Time will tell.

Appendix:
A Taxonomy of Rural Development

To accompany the historical narrative (above), the attached document, Policies and Programmes for Rural Development, surveys government functions and initiatives related to rural development under thematic rather than chronological headings. At this point, it is only necessary to outline the classification system used in the attached document.

Rural development is understood to include government functions and activities which have the intention or effect of increasing the levels of wealth or standards of living in rural areas (broad definition). This includes numerous government functions, programmes, policies, and activities that are not usually conceptualized as rural development. Such programmes are often far larger in size and effect than those that are explicitly identified as rural. Two key examples are tax and investment policies; and Unemployment Insurance, which in the 1970s probably became the largest identifiable transfer to rural areas, notably to high-unemployment rural areas in Atlantic Canada. UI dwarfed ARDA, FRED, and even DREE in its effect on these areas.

Often it has been policy *changes* that have attracted the attention of writers surveying rural or regional development policies. Consistent, long-held policies are overlooked. This is likely the reason that marketing boards, for example, have been neglected in surveys of rural development: they have been established for so long, and are so fundamental to rural Canada, that they are overlooked. To consider rural development while ignoring long-lasting programmes that have large effects is arbitrary and willful.

Ultimately the only sound means to identify which programmes are relevant, and to identify their effects, is to study the whole interacting array of programmes, of all levels of government, over an extended period of time, within a well-defined region. It is in regions that people live and that programmes come together with realities. Few such studies have been done, however. The present document is intended in part as an overall framework or reference point that might be helpful for such in-depth, regional historical studies in future.

The framework used below considers rural-development policies and programmes under eleven headings. The first concerns **land** and environment, defining characteristics of rural places that are essential to many rural occupations and to rural standards of living. Second, it considers **transportation** and related policies that have been fundamental to Canadian state-building and to the spatial development of rural areas. Following this it looks at issues of public **services and utilities** that have, particularly in the past, subsidized rural Canada. As with transportation, public services and crown corporations attempted to eliminate geography and offer equal services across the country, effectively cross-subsidizing services to rural Canadians.

Next, the framework used here considers two of the basic policy directions that have consistently shaped the economy of rural areas: programmes to increase **productivity**, which have transformed agriculture and fisheries among other industries; and the corollary of declining workforces in these industries programmes for **adjustment** and transition of labour and of population. Some would call these rural underdevelopment programmes, but, though rarely highlighted, they are among the most persistent and fundamental ideas in postwar policy toward rural areas.

Agriculture has been the focus of much rural-related programming. Programmes for **agricultural market** stabilization and **income stabilization** are analysed briefly in the attached document. Following this are considered the general **income support** and wealth-transfer programmes, including equalization payments to (largely rural) provinces and UI payments to (often-rural) areas of high unemployment.

Finally, the attached document surveys, in the most detail, programmes that professed or attempted **regional development** the integration of different approaches and programmes within rural regions and **business development**, which is not the same thing. Finally, though it is brief, there is a concluding section concerning those rural-oriented policies and programmes that have attempted or approximated **community development** as defined and advocated by various writers over the last couple of decades.

For practical reasons, this account concentrates on federal policies and programmes. It has not proved possible to summarize systematically provincial or subprovincial programmes for rural areas, for agriculture, for fisheries, and for forestry and mining. This is a deficiency that can perhaps be addressed in future research or in regional studies. On the other hand, there is some literature that permits an overview of provincial programmes in research and in business development, including local economic development, and this is included in the appropriate sections.

Policies and Programmes for Rural Development

Policies and Programmes for
... Land, Water, and Environment

Prairie Farm Rehabilitation Administration (PFRA)

Maritime Marshland Rehabilitation Administration (MMRA)

Agricultural Rehabilitation and Development Act (ARDA)

Environmental Protection
  Environment Departments

- Environmental Impact Assessments

Conservation and Parks

Dams and Hydroelectric Power

... Transportation and National Markets

Rail Transport
- Crow's Nest Pass Freight Rates
- Western Grain Transportation Act
- Feed Freight Assistance Programme
- The Canadian National Railroad (CNR)
- The Canadian Transport Commission

Ocean Transport
- St Lawrence Seaway
- Ports

Road Transport
- The Trans-Canada Highway
- Roads to Resources

... Services and Utilities

Canada Post

Crown corporations

Siting of public facilities
- Schools, hospitals, etc.
- Administrative offices
- Military bases

... Increased Productivity

Taxation and investment policy

Role of government departments

Research
- Federally funded research
- Provinces
- Research councils
- Post-secondary institutions

Education and extension

Credit
- Farm Credit Corporation (FCC)
- Federal Business Development Bank (FBDB)

Fisheries

Forestry and Mining

... Adjustment and Transition

Technical and vocational training
- Technical and Vocational Training Assistance Act
- Adult Occupational Training Act
- Manpower training and mobility programmes
- Post-secondary education transfers

Unemployment Insurance programmes

Resettlement
- Newfoundland outports
- Agricultural Rehabilitation and Development Act (ARDA)
- Fund for Rural Economic Development (FRED)

Fisheries aid programmes

Farm Debt Review

Miscellaneous Transition Programmes

... Agricultural Market Stabilization

The Canadian Wheat Board

Marketing boards

Miscellaneous market-stabilization programmes
- Special Grains Programme
- Lower Inventories for Tomorrow (LIFT)

... Agricultural Income Stabilization

Agricultural Stabilization Act

Crop insurance

Western Grain Stabilization Act (WGSA)

Red Meat Stabilization Programme

Gross Revenue Insurance Programme (GRIP)
Net Income Stabilization Account (NISA).

... Income Support and Wealth Transfer

Equalization

Fiscal Arrangements Act

Established Programs Financing

Unemployment Insurance

Taxation policy

... Regional Development

Agricultural Rehabilitation and Development Act/
Agricultural and Rural Development Act (ARDA)

Area Development Agency (ADA)

Atlantic Development Board (ADB)

Area Development Incentives Act/Regional Development Initiatives Act (RDIA)

Fund for Regional Economic Development (FRED)

Department of Regional Economic Expansion (DREE)

General Development Agreements (GDAs)/
Economic and Regional Development Agreements (ERDAs)

Partnership Agreement on Rural Development (PARD)

... Rural Business Development

Provincial development corporations

Provincial Programmes: Main Street Revitalization

Provincial Programmes: Local Economic Development

Aboriginal Local Economic Development

Atlantic Canada Opportunities Agency (ACOA)

Western Diversification (WDF)

Smaller federally funded programmes
- FORDQ
- Fednor

... Community Development and Community Economic Development

Extension education.

Co-operatives.

Community Futures.

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