

## BOOK REVIEW

**Escape from the Staples Trap. Canadian Political Economy After Left Nationalism**, by Paul Kellogg. Toronto: University of Toronto Press, 2015. \$32.95 paper. ISBN:978-0-8020-9654-8. Pages: 1-275.

Robert Marshall<sup>1</sup>

Facts are simple and facts are straight  
 Facts are lazy and facts are late  
 Facts all come with points of view  
 Facts don't do what I want them to  
 Facts just twist the truth around  
 Facts are living turned inside out  
 Facts are getting the best of them  
 – *Talking Heads 1980*

Whilst reading Paul Kellogg's *Escape from the Staple Trap* I could not help but think of the refrain from an old *Talking Heads* (1980) song "Crosseyed and Painless." By way of statistical and historical analysis, Kellogg challenges many of the underlying theoretical and methodological assumptions that underpin much of the Left Nationalist perspective from the 1960s onwards. In particular, he challenges the argument that Canada followed an economic development model typical of the staples-exporting economies in the global south. This argument was popularized in a series of papers and reports including the 1968 *Task Force on the Structure of Canadian Industry*, Kari Levitt-Polanyi's *Silent Surrender: The Multinational Corporation in Canada* (1970) and Robert Laxer's *Canada Ltd. The Political Economy of Dependency* (1973). According to this view, Canada was slowly but steadily undergoing a process of cultural assimilation-cum-political disintegration as ever more control of its economy came under foreign (that is, U.S.) control and ownership. Although Canada was a rich nation, it remained one nevertheless lacking sovereignty and domestic control of its own future. Kellogg, instead, argues that Canada sits at the core (not periphery) of the world's capitalist economies, retaining a significant amount of independent power and sovereignty. "Canada is now, and has been for some decades, a full participant in the core of the world system. It is an advanced capitalist economy, coexisting there with a handful of similarly privileged states" (xvi). Kellogg argues that following the failed 1837-38 rebellions, the Canadian elite were "able to assert effective national sovereignty over the territory that was to become the centre of the Canadian state" (xviii) In fact, Canada became imperialist in its own right, not the least of which is in relation to its treatment of Indigenous peoples. Canadian imperialist expeditions then spread to the Caribbean and South America resulting in both internal and external forms of imperialism.

As the name implies, Left Nationalists were part of a rising tide of resistance to traditional systems of authority and 'Americanization' north of the 49<sup>th</sup> parallel amid the struggle for an autonomous and independent Canada. Indicative of this argument are the essays found in Lumsden

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<sup>1</sup> Robert Marshall teaches in the Department of Politics and Public Administration at Ryerson University. Email: rmarshall@politics.ryerson.ca

(1970). Left Nationalism found expression in many ways. For instance, in English Canadian debates over economic dependency characterized by the fleeting Waffle Movement; in Pierre Elliot Trudeau's short-lived economic nationalism which roughly lasted from the creation of the Foreign Investment Review Agency in 1973 to the demise of the National Energy Program in 1985; in Quebec's push for independence; and in Indigenous People's anti-colonial demands. Despite theoretical differences, Kellogg follows but goes deeper in the footsteps of arguments made by others, such as Steve Moore and Debbie Wells (1977), William Carroll (1986) and Philip Resnick (1990) during the highpoint of Left Nationalist debates.

Kellogg's book is divided into two main sections. In part one, he undertakes a critical literature review of previously published debates in Canada, which combined Latin American dependency theory with Marxist theories of the state and elite theory. In doing so, he provides a nuanced view of the diverse voices that together make up the Left Nationalist perspective and its relation to staples theory – the idea that Canada is, first and foremost, a resource-exporting dependent nation. Part two lays out Kellogg's alternative interpretation of Canada as an imperialist power in its own right, alongside a detailed analysis of the Canadian capitalist class. In many ways, Kellogg's book is reflective of two broad schools of thought at the heart of the Canadian political economy tradition going back to the 1960s. The first school was Innisian-inspired and documented Canadian dependency on the United States. In this view, Canadian dependency could only be broken by a socialist project independent of the US. The second school was strongly influenced by the work of Marx. Canada was not merely a dependent nation but an active agent in the internationalization of capital. This body of thought also worked to provide an alternative understanding of Canadian economic development, including class and state formation. Of course, both Innisian and Marxian inspired Canadian political economy approaches varied greatly.

Eschewing core-periphery characterizations, Kellogg labels Canada a 'principle economy'. While acknowledging the relatively high levels of foreign ownership in Canada, he argues that there has yet to be "evidence of permanent, structural, industrial underdevelopment in Canada" (116). To sustain this argument, Kellogg draws on the work of Alfred Maizels (1963) and David McNally (1981). Maizels may seem like an outdated choice, but it fits with Kellogg's overall statistical argument that Canada was sovereign by the mid-nineteenth century. At the same time, arguing that Left Nationalist arguments were limited on both theoretical and empirical grounds, Kellogg, drawing on McNally, makes the case that dependency theory is a form of 'commodity fetishism'. Marx used the term to critique classical political economy's focus on commodities in exchange rather than as a social relation of production. By focusing on staples exports there had been a failure to theorize them as forms of productive capital. The result, for Kellogg, has been a fundamental misunderstanding of the industrial structure in Canada and its ruling power bloc. Building on this framework, Kellogg argues that by the early 1980s a domestic capitalist class had already assumed overall control of the majority of assets in the Canadian economy and had indeed even become a net exporter of capital. In other words, for Kellogg the result over the last three decades has been not a deepening of dependency – as predicted by the Left Nationalists – but

rather a decline in dependency. Or, put differently, growing evidence of Canada exercising its uniquely sovereign imperialist ambitions.

There are, however, a number of questions skirted by Kellogg that beg further analysis. If there have been no structural effects on the Canadian economy via foreign direct investment flows, how then does one explain trade dependency first on the British and later American Empires? How does one make sense of lower per capita GDP, lower levels of productivity that have often lagged behind other advanced industrial nations, lower levels of basic and applied research and development, and competitiveness, or higher rates of unemployment when comparing Canada to the US? While Left Nationalists sought to address these questions, Kellogg seems content with downplaying or avoiding them all together.

Kellogg also has the benefit of hindsight. Many of the Left Nationalist arguments Kellogg criticizes were developed in the 1960s and 1970s. But it seems somewhat odd to criticize these arguments based on new data disembedded from the contexts in which they were written, or absent the most recent debates. The nature of the Canadian capitalist class and its relationship to the Canadian state could have also been more clearly theorized. In other words, there seems to be no unifying theory of the state. Many have noted, for example, the origins of Canada as being driven by both the British capitalist class and a nascent Canadian capitalist class. This is an argument made by a diverse range of writers such as Ryerson (1960), Dumett (1990) and Smith (2008). More recently, Klassen (2014) has also made this point regarding Canadian foreign policy vis-à-vis the Gulf War and the post 9-11 “war on terror” where continental integration, arguably, has continued apace in an effort to maintain access to the American market and prevent the shutting down of cross-border flows.

Moreover, if one accepts Kellogg’s argument that the Canadian capitalist class was in control of the economy by the 1880s, what role might public policy have played in this (if at all)? For instance, what role did Ontario’s public hydro utility play in the development of the provincial manufacturing sector? Did the Trudeau government’s National Energy Program contribute to the growth of Canadian ownership in the oil and gas sector? One could ask similar questions of the original National Policy of the Macdonald government, or the role of the Auto Pact in the 1960s? Interestingly, in an earlier paper, Kellogg (1989) drew heavily upon the theoretical insights of Bukharin as a way to address the perceived weaknesses of the dependency school. It seems to be an odd omission from this book as the overall thrust of this framework would seem to fit quite comfortably with the internal logic of Kellogg’s argument.

Despite these lingering questions, Kellogg’s book will be of interest to readers both new and well-versed in the Canadian political economy debates, including under/graduate students and lay persons alike. And while the debates may seem historically dated, they have been revived of late in discussions and questions of contemporary globalization and the ‘new’ imperialism vis-à-vis Canada’s place in the global economy (see, for example, Albo and Klassen 2013; Burgess 2007, Gordon 2010). A planned follow-up to this study, tentatively titled *Arms and the Nation*,

promises to focus on the economic effects of militarism and its impacts on the construction of the Canadian welfare state in contradistinction to the American warfare state (or what Seymour Melman [1985] long ago called ‘the permanent war economy’). I look forward to reading it and others amidst the revival of debates about Canada’s shifting role in the global political economy.

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