The contemporary period is witness to two fundamental features of capitalist development. One is the remarkable ability of capitalist institutions to restructure and project themselves anew – from new forms of production to new communications networks linking the world market to the politics and policies of neoliberalism. And a second is a recurrent pattern of these new forms of production and political institutions entering into crisis – from the Great Depression of the 1930s to our own period of financial crisis and austerity since 2008. In some assessments, Canada is re-establishing its competitive position within the NAFTA economic bloc. For others, Canada’s place amongst the advanced capitalist countries is sliding in the absence of a concerted industrial policy to facilitate the technological capacities of Canadian industry. And for still others, deepening social inequalities and Canadian relative economic decline are symptoms of a deeper malaise of Canadian capitalism that can only be offset by a new egalitarian politics.

These are all major claims about the development trajectory of Canada in the world market. It is the intent of this course to provide students with (1) a conceptual and historical perspective on these debates by focusing on the historical forces which have shaped the political economy of Canada to the present; and (2) a survey of key issues and current debates about Canada’s economic and social policies in the new context of austerity.

This course examines Canadian economic development and state formation in the context of the world market and, in particular, Canada’s place within North America. The first term develops some of the key concepts of political economy for the course; it also traces out the economic development of Canada from colonialism to the modern era of industrial capitalism and Canada’s place within the American empire. Special emphasis will be given to the themes which have dominated the debate about Canada's industrial evolution: colonialism, the staples growth process, the national policy, and continental integration with the U.S. The second term covers developments from the interwar crisis through free trade to the current phase of permanent austerity. It covers current issues in the political economy of Canada, such as neoliberalism, NAFTA and trade issues, and industrial and social policies, and government cuts. Here the focus will be on contemporary industrial restructuring: the new production concepts altering work processes, the evolution of regional trading blocs, the new regionalism and the restructuring of state policies and regions.

The course will seek to address the following questions. What was the specific character of colonialism in Canada and Canada’s place in the Atlantic slave triangle? How and why did
Canada emerge as a major capitalist country? How did the Great Depression and postwar period form the Canadian welfare state? What has been the influence of neoliberalism on Canada’s economic and social development? And what future paths of development might be foreseen for Canada within North America?

Required Textbooks:


Requirements and Grade Distribution:

Attendance and Participation: 10%
Fall Paper (November 25): 20%
December Exam: 25%
Winter Paper (March 31): 20%
April Exam: 25%

Exams and Written Assignments: See end of syllabus for guidelines and details.

Accommodation for Disability:

Students with disabilities who require adaptations or services should discuss their needs with the instructor. Accommodation for disability will be arranged in conjunction with the Office for Persons with Disability.

Plagiarism:

Plagiarism is generally considered to be the most serious academic misconduct that a student can commit. Instances of plagiarism, whether intentional or unintentional, will have serious academic consequences. In order to avoid plagiarism, students are advised to familiarize themselves with York University’s definition of academic dishonesty.

Lecture and Reading Schedule
Fall Term

Part I Perspectives on Political Economy.

Week 1: Introduction (September 9)
Ingham, *Capitalism*, Intro.

Week 2: History of Political Economy (September 16)

Week 3: Capitalism and Exchange (September 23)
Ingham, *Capitalism*, Chs. 4-5.

Week 4: Capital and Firms (September 30)
Ingham, *Capitalism*, Chs. 6-7.

Week 5: States, Markets and Capitalism (October 7)

Part II Canadian Economic Development: Europe and the New World

Week 6: The World Market Before Capitalism (October 21)

**Week 7: Aboriginal Peoples and Pre-Capitalist Canada (October 28)**


**Week 8: Colonization and the New World (November 4)**


**Week 9: Mercantilism and the Atlantic Slave Triangle (November 11)**


**Part III Capitalism and Industrialization in Canada**

**Week 10: The End of Mercantilism (November 18)**


**Week 11: The Transition to Capitalism and Confederation (November 25)**


Week 12: The First National Policy and Industrialization (December 2)


Winter Term

Week 13: The Interwar Crisis and the Rise of the American Empire (January 6)


Week 14: The Great Depression and the War Economy (January 13)


Part IV From the Postwar Order to Globalization

Week 15: Postwar Boom and the National Policy (January 20)


Week 16: The 1970s crisis and the Turn to Globalization (January 27)


Week 17: The Rise of Neoliberalism (February 3)
Norrie, et al., History of the Canadian Economy, Ch. 22.

McBride, Paradigm Shift: Globalization and the Canadian State, Chs. 3 and 5.

Week 18: Globalization and the North American Trading Bloc (February 10)
McBride, Paradigm Shift: Globalization and the Canadian State, Chs. 4 and 7.
Beaud, A History of Capitalism, Ch. 7.

Week 19: Globalization and Canadian International Relations (February 24)
McBride, Paradigm Shift: Globalization and the Canadian State, Ch. 6.


Part V The Financial Crisis, Austerity and Alternatives

Week 20: Financialization and the Economic Crisis (March 3)
Albo, et al., In and Out of Crisis, Chs. 1-2 and 8.
Ingham, Capitalism, epilogue.

Week 21: The Crisis, the State and Authoritarian Neoliberalism (March 10)
Albo, et al., In and Out of Crisis, Chs. 3-4.
McBride, Paradigm Shift: Globalization and the Canadian State, Ch. 8.
**Week 22: The Turn to Permanent Austerity (March 17)**

Albo, et al., *In and Out of Crisis*, Ch. 5.


**Week 23: The Crisis and Alternatives (March 24)**

Albo, et al., *In and Out of Crisis*, Chs. 6-7.


**Week 24: Democracy, Ecology and Alternatives (March 31)**


The following are guidelines for the exams.

1. All answers must be typed and hard copies handed in to the TAs.

2. All answers must include specific sourced referencing to the textbooks for the course and to the lectures. Answers that do not provide sourcing will be immediately lose 50% of the grade.

3. The short answers CANNOT exceed 500 words and will not be read beyond that. Referencing does not figure in the word count.

4. The essay answers CANNOT exceed 2200 words and will not be read beyond that.

5. Grammar, organization, etc., will factor into the grade.

6. The exam is marked out of a 100 and then converted to the final grade portion.

7. Plagiarism, including copied answers, will not be tolerated and will result in a grade of zero for the exam.

**PART 1 DEFINE/DESCRIBE THE FOLLOWING CONCEPTS AND ISSUES. (5 POINTS EACH FOR 55 POINTS.)**

- cotton industry and industrialization
- Native economy and communal production
- Mercantilism and the Navigation Act
- Reciprocity Treaty
- corn laws
- Hudson’s Bay Company and the fur trade
- prairie wheat boom
- Montreal merchant elites
- money and credit
- staples-led growth process
- First National Policy

**PART 2 WRITE SHORT ESSAYS ON THE FOLLOWING QUESTIONS. (15 POINTS FOR EACH ESSAY.)**

1. "Since the household [in the simplest form of competitive capitalism] always has the alternative of producing directly for itself, it need not enter into any exchange unless it benefits from it. Hence no exchange will take place unless both parties gain from it. Cooperation is thereby achieved without coercion.... In the complex enterprise and money-exchange economy, co-operation is strictly individual and voluntary provided... that individuals are effectively free to enter or not into any particular exchange, so that every transaction is strictly voluntary...."
Payment according to product is therefore strictly necessary in order that resources be used most effectively, at least under a system depending on voluntary co-operation." (Milton Friedman, Capitalism and Freedom)

What would Marx have to say about this view of capitalism and freedom based on his views of exchange, value, exploitation and accumulation?

2. Colonial Canada had slavery but no development of the slave mode of production as in the southern US, the Caribbean and coastal Latin America. What was the Atlantic slave triangle that was so critical to the world market for 300 years? What was slavery in Canada and how did it compare to other forms of unfree labour (as say with Chinese labour or the Irish)? How did Colonial Canada fit into the trading schemes of the British slave trade under the first Pax Britannia?

3. Colonization and early development took many forms in Canada. Describe the character and social structures of colonization in two regions of Canada – Newfoundland, the Maritimes, New France, Upper Canada, the Prairies, or BC – and contrast their early economic developments and how this shaped their transition to capitalism in the mid-19th century.
APRIL SIT-DOWN EXAM PREPARATION QUESTIONS

The following are guidelines for the exams.
1. It will be divided into three questions and will take three hours. Each question should take about one hour.
2. The test will be graded out of 100 and then converted to a mark out of 25 for the final grade.
3. Please single-space your answers.
4. Organization, clarity, presentation and grammar will be considered in marking the essays. Point form is fine for the definitions.
5. Answers should demonstrate knowledge of the textbooks and make reference to them. This will be important in evaluating each exam.
6. All questions will be drawn from the following.

PART 1 DEFINE/DESCRIBE THE FOLLOWING. (FIVE WILL BE ON THE EXAM; ALLOW ONE HOUR; 30 POINTS)

Keynesianism  
Autopact  
branch-plant economy  
Canadian energy self-sufficiency and NEP  
gender and occupational segregation  
1973 economic crisis  
Canadian New Deal  
Rules of origin  
neoliberalism  
derivatives market  
imperialism and WW1  
permanent austerity

PART 2 WRITE SHORT ESSAYS ON THE FOLLOWING QUESTIONS. (TWO WILL BE ON THE EXAM; ALLOW ONE HOUR EACH; 35 POINTS EACH)

1. The interwar crisis is often identified as the key period which changed the institutions of capitalism and the world market. Identify some of the key sources of instability that led to the 1930s crash and the Second World War. Identify how this played out in Canada and some of the policies that emerged leading to Canada’s second national policy.

2. A central point debate in Canada since the 1960s has been between ‘nationalists’ and ‘continentalists’. What was this debate about? How did it figure in the debate between different agendas for trade and industrial policy leading to the neoliberal policies from the 1980s on?

3. Most observers argued that the FTA/NAFTA represented a fundamental shift in Canada’s historical model of development by forming a new continental economic bloc. How did it differ from the GATT process? What are some of the key components of the trade deals involve? How did it shift Canada’s development?

4. The old order of the postwar ‘golden age of capitalism’ from 1945 to 1975 provided a
development phase more centred on *national* economies and more based upon providing *security* against the instabilities of the market. The neoliberal economic policies adopted first by Prime Minister Brian Mulroney and then by Jean Chretien and now Stephen Harper have provided a quite different institutional framework for Canada since the 1980s. What are some of the key neoliberal policies in Canada? Discuss with reference to two of the following policy areas: energy, welfare, migration, defence, banking, housing, environment, or taxation.

5. It is often said ‘there is no alternative’ to neoliberalism. Thus the main exit proposed to the economic crisis since 2008 is permanent austerity. Why is austerity raising some new problems and contradictions? And what are some of the range of alternatives?
FALL AND WINTER ESSAY ASSIGNMENTS

The following are the general guidelines for the essays.

1. First term essays are to be about the political economy of Canadian development from the Indigenous societies to the initial period of industrialization. Second term essays are to address the current political economy of economic policy, sectoral or regional developments or social policies.

2. Plagiarism will not be tolerated and that students caught doing so will be punished along official lines.

3. Proper referencing and bibliography are necessary. Their assessment will be part of the grade.

4. Sources should be about 10 pieces including articles and books, and should include the course texts. Materials from the internet cannot constitute any more than 25% of your sources.

5. The course texts provide an initial base for researching the essays as some of the better sources are cited there. You should also consult the relevant periodicals.

6. Students are encouraged to prepare outlines and review them with their tutorial leader or with the Professor.

7. Late papers will receive a 2% grade reduction for every day late. Written assignments should be submitted either in class or in tutorials. Papers submitted via e-mail will not be accepted.

8. Mark breakdown:  
   - presentation, grammar, style 25%  
   - argumentative and theoretical coherence 50%  
   - quality of research and integration of research materials 25%

9. The essays should not exceed 5000 words.
The focus of the first term’s essay is to make a linkage between some of the concepts we have discussed and some of the key debates about Canadian development.

1. Contrast the staples interpretation of Canadian development and the Marxian analysis of capitalism.

2. From the perspective of the staples theory of development, assess the impact of fisheries, fur, mining, oil, hydro-electricity or forestry on Canadian development.

3. From the perspective of one of the paradigms of political economy, assess the early development of one of the regions – Newfoundland, BC, Ontario, etc. – of Canada.

4. How did pre-Confederation Canada fit into the world trading patterns of Britain?

5. From either the Marxian or institutionalist perspective, what was the impact of exchange with European colonialism on the native economy and modes of production?

6. What is a capitalistic labour market and how did it form in Canada? What role did race and ethnicity play in its formation?

7. Money is a means of exchange and an essential social relation in market societies. How did banks emerge in Canada and what role did they play in Canadian development?

8. How did Canadian slavery differ from slavery in the southern US or in the Caribbean?

9. What were the economic issues and processes that led to the Metis/Riel Rebellions in the prairies?

10. How does the transition to capitalism in Canada relate to the debate over the concept of bourgeois revolution?

11. What have been the historical economic relationships between Britain, Canada and the Caribbean?

12. Examine the British mercantile system and the alternate place of Canada and India in it.

13. What was the relationship between Britain, Canada and China before 1920 and how did Chinese workers come to play such an important role in capitalist development in Canada?

14. What were post-Confederation agriculture policies in Canada and how have they continued to shape Canada’s food policy today?
15. What was the relationship between European settlement and the Treaty process in a specific region of Canada and how does it continue to influence economic development today?

16. What role did women play in the fur trade and how did this impact the sexual division of labour in Aboriginal societies?

17. What role did women play in the economy in 19th century industrialization and the early factory system?

18. Who formed the initial ruling class in post-Confederation Canada?

19. What role did Confederation play in the transition to capitalism in Canada?

20. What was the economic importance of World War One in changing Canada’s economic relation with Britain and national state structure?
WINTER ESSAY ASSIGNMENT
DUE: MARCH 31, 2014

The purpose of the second term’s essay is to investigate transformations in the political economy of Canada, particularly since neoliberalism from an historical perspective. The essay should use some of the concepts of political economy to develop the argument and analysis. The essay should also attempt to use at least at one statistical indicator from Statistics Canada.

1. Select one of the areas of economic, industrial or innovation policy in Canada and assess how neoliberalism has changed its programmatic structures.

2. Select an industrial sector – whether old economy or new — and trace out the political economy of its evolution over the last 25 years.

3. Select a specific province or region of Canada and examine the political economy of its economic or industrial strategy under neoliberalism.

4. Select a specific Aboriginal nation and examine the political economy of its development in the contemporary period.

5. Examine a specific section of FTA/NAFTA and assess the evolution of policy in this area since 1989.

6. Examine the new trading relations between Canada and one of the East Asian countries and place it in the context of historical Canadian trading relations.

7. What is the form that austerity is taking in Canada since 2010? Focus on the national government, a province or a city.

8. Examine the ideas of value and exploitation and apply them to neoliberalism in Canada.

9. Examine the transformations that have occurred in Canada’s ruling groups with neoliberalism.

10. Examine some of the debates about alternate economic strategies for an alternate to neoliberal policies in Canada.

11. Examine the notion of capitalist economic crisis and apply it to developments in Canada since 1973 over the period of neoliberalism.

12. What is the history of tar sands production in Canada and its relation to the Canadian economy today?

13. How did Canada’s 1940s wartime economy contribute to postwar economic planning?
14. What were causes and features of the 1930s Great Depression?

15. Where did the Bank of Canada come from and how did it shape postwar Canada?

16. What are some of the problems of Canadian competitiveness and industrial policy?

17. How has the position of women in the Canadian economy changed since the 1960s?

18. How would you assess the changes to Canadian unions from the postwar period to the period of neoliberalism?

19. How did foreign direct investment shape postwar Canadian economic development?

20. What has been the nature of the current financial crisis in Canada and what support has the Canadian government provided to the banks?