

# Post-Industrial Adjustments in a Staples Economy: Urban and Economic Change in Kamloops, 1961–2002

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*The purpose of this paper is to examine the changing economic and urban character of Kamloops during the past three decades. Focusing on changes in its occupational structure, spatial economy, affiliated landscapes, and municipal planning orientations, this paper documents how the economy of British Columbia's fifth largest city has diversified over the last 30 years. In recent years, the city's tertiary and quaternary sectors have expanded rapidly, and in the process, have become the dominant engines of local growth. This economic shift, and its attendant social and cultural expressions, suggest that Kamloops may be entering a new phase of development. In particular, we argue that local variants of post-industrial and post-Fordist forces may now play a more significant role than the region's traditional staples sector in shaping the city's urban fabric.*

## Introduction

The growth of a global, post-industrial—post-Fordist economy has emerged as a significant issue in geography (Harvey, 1989;

Scott, 1990; Dicken, 1992; Bryson et al, 2000). Well documented are its impacts on the established manufacturing belts of North America and Europe (Massey and Allen, 1988; Scott, 1988; Rubenstein, 1992; Holmes, 1996) as well as on the new centres of innovation and production (Hepworth, 1990; Scott, 1990; Angel, 1994). Geographers have also begun to investigate how these economic changes have found their way into resource exporting regions. Research by Barnes and Hayter (1994) indicates that new production techniques, changes in corporate control, and increased global competition can affect small communities in British Columbia's resource periphery. Physical isolation, a weakly developed urban hierarchy, and a staples mentality have not insulated the province from the restructuring processes that characterize new economies elsewhere. This paper picks up this theme, exploring how information and service-based industries have transformed the labour force and physical landscape of a small city in the interior of British Columbia.

Kamloops, like many urban centres in the interior, has traditionally functioned as a processing and service centre for a resource economy. Over the last two decades, however, the city's economy, and thus its relationship with the surrounding region and external economies, has shifted. Resource industries are still present and important, but multinational retailers and quaternary services such as call centres, information processing facilities, advanced education, and health care increasingly shape Kamloops. This shift, in turn, has come with 'big city' urban processes such as inner city decline and revitalization, new urbanist concepts, and high-tech industrial parks. By focusing on changes in Kamloops' labour force and economic landscape, this paper details some of these economic changes and their impact on the city. The paper begins with a discussion of staples theory and the post-industrial–post-Fordist literature and how they have affected British Columbia's urban system. The paper then reviews the development of Kamloops' economy against this background, breaking the city's recent history into two phases: the resource and transportation fuelled growth from 1945 to the economic recession of the early 1980s, and the subsequent rise of a tertiary and quaternary sector economy. The last section of the paper examines how Kamloops' urban structure has responded to this economic shift. It is argued that the rise of a post-industrial economy has altered the traditional role of the city's central business district (CBD) and geographical balance of power in the community.

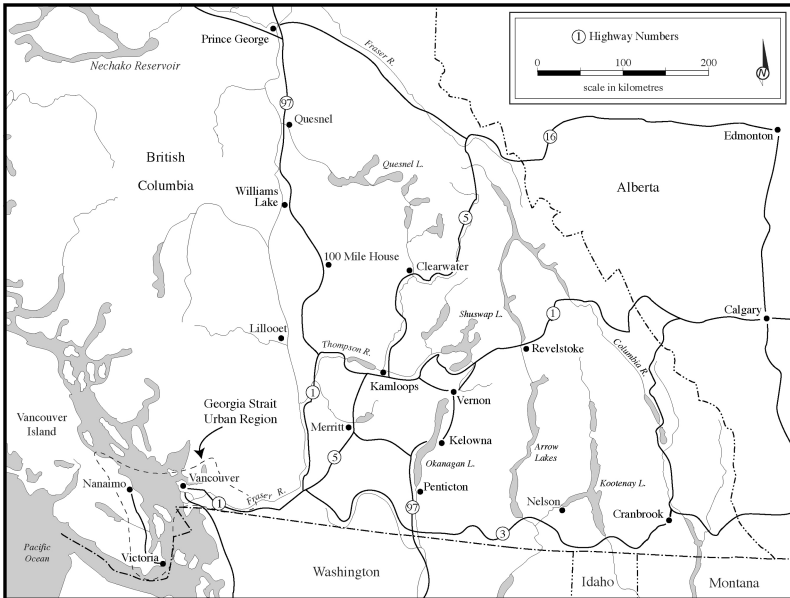
## **British Columbia's Urban Structure**

British Columbia is a classic example of a staples economy (Bradbury, 1987; McGillivray, 2000; Wood, 2001). A staples economy is based on the export of raw or minimally processed natural resources (Barnes, 1996b: 216). Wood (as logs, lumber, and pulp), copper, and coal are the dominant staples in British Columbia. Other important staples include gold, natural gas, fish, fruit, cattle, and wheat. As first suggested by the political economist Harold Innis, staples producing regions often fail to develop well-diversified economies because of the institutional nature of resource exploitation (Innis, 1930; Watkins, 1963). In British Columbia, and Canada generally, large and often foreign owned corporations have controlled, and continue to control, resource development. Large firms have the capital, technology, and infrastructure required to exploit staples in remote areas. However, with their focus on exporting resources to 'home' markets, foreign firms have at the same time limited the growth of backward (inputs that support resource extraction), forward (resource processing), and final demand (non-basic goods and services) linkages (Parker, 1997). Staples economies, as a result, are vulnerable to boom and bust cycles; they have limited means to buffer the economic impacts created by external shifts in demand, technological change, and competing suppliers (Barnes, 1996b).

British Columbia's staples orientation is clearly reflected in the province's urban system (Bradbury, 1987; Wood, 2001). Resource locations (Kimberley, Rossland, Nanaimo, Sparwood, Tumbler Ridge), processing centres (Trail, Mackenzie, Steveston, Kelowna), key transportation junctions (Kamloops, Prince George, Revelstoke), and break-of-bulk points (Vancouver, Prince Rupert) are examples of the link between resources and settlement. Fluctuations in commodity prices and the infusion of government funds into the transportation infrastructure (railways and highways), power generation (hydro), and resource development (assistance for mega-projects and instant towns such as the Kitimat-Kemano aluminium smelter and the Logan Lake-Highland Valley mine complex) have also strongly influenced historical patterns of urban growth. The rapid growth of many interior cities during the 1960s and 1970s, for example, was a product of strong world-wide demand for basic resources and the 'northern vision' policies of British Columbia's Social Credit government (Barman, 1996; Belshaw and Mitchell, 1996). Weaker commodity prices and economic instability in key export markets have similarly con-

tributed to the stagnation or decline experienced by the same cities during the subsequent decade.

The core-periphery structure of British Columbia's urban hierarchy is also a product of the province's staples economy (Bradbury, 1987). A core-periphery, or heartland-hinterland, structure is one in which the majority of the population, value-added processing, and control functions (government and private industry) are concentrated in a small area (the core) of a larger resource producing region (the periphery). Vancouver and the Georgia Strait urban region (the adjacent Fraser Valley and southern Vancouver Island) function as British Columbia's core (Figure 1). With nearly 2 million residents, the Vancouver Census Metropolitan Area has 6 times the population of the second largest city in British Columbia (Victoria), and is approximately 20 times the size of the largest community in the interior (Kelowna) (Statistics Canada, 2001). Two of every three British Columbians live in the Georgia Strait urban region. Vancouver also has a much more diverse and stable economy than the rest of the province (Davis and Hutton, 1989). The head offices of resource companies are located here, as well as a substantial percentage of the province's high order economic (banking, insurance, investment industries) and cultural functions (post-secondary education, professional sports, the arts). Vancouver, as Hutton (1997b) suggests, functions as the province's downtown. Vancouver has historically evolved into this role because of its key transportation linkages. As the terminus of the Canadian Pacific Railway, and with a deep-water port, Vancouver controlled a large proportion of the resources moving out of, and the manufactured products into, British Columbia (and western Canada). Over time this natural advantage was reinforced by the establishment of processing and service industries, which, in turn, created agglomeration economies that inhibited economic and urban development in the resource periphery (Davis and Hutton, 1989).<sup>1</sup> In other words, higher order secondary and tertiary functions found it more economical to serve the province from Vancouver than to establish a physical presence in the periphery. A primate city dominated urban hierarchy was the result. No second or even third order cities developed in the periphery (Forward, 1987).



**Figure 1** British Columbia’s Core Region

While staples industries have significantly shaped British Columbia’s economy and urban structure, recent evidence suggests that their importance is in decline. The percentage of people employed in staples industries has dropped in the core and periphery and, as a result, their contribution to the province’s gross domestic product has slipped (Davis and Hutton, 1989; Wood, 2001). For example, the contribution of forestry—the province’s largest staples industry—to the province’s gross domestic product (GDP) fell from 15% in 1961 to 7% in 1997 (McKinnon, 1999). Increasing in importance are tertiary (service) and quaternary (information-based) industries. These sectors collectively account for three-quarters of the province’s GDP and employment, and in recent years have continued to expand despite a slowdown in the primary and secondary sectors (BC Stats, 1998b). Tourism is presently the province’s second largest ‘export’ industry (Rollins, 2001). The status of staples is even being challenged in the secondary sector. The clothing, plastics, and electronics industries have grown rapidly over the last decade while general machinery and equipment exports have “become more valuable than shipments of coal, metal and metal ores, fish products, paper, or any solid wood product other than lumber” (BC Stats, 1998a: 2-3).<sup>2</sup>

The rise of tertiary, quaternary, and high-tech secondary industries is not unique to British Columbia. Their development is tied to the emergence of post-industrial societies and post-Fordist modes of production in advanced countries (Bell, 1973; Amin, 1994; Castells, 1996-97; Bryson et al, 2000). A post-industrial society is one in which service occupations dominate the workforce and shape affiliated social structures in critical ways (Ley 2000). In particular, a post-industrial society is one in which information-oriented occupations play a central role. Information is both post-industrial society's "most valuable resource [for] increasing productivity" as well as its most distinctive product (Kuby et al, 2001: 149). Education, health care, producer services, and entertainment are prime examples. However, jobs that collect, process, exchange, and apply information—collectively known as the quaternary sector—are also intimately implicated in globalization processes and in the transformation of more traditional sectors of the economy. For example, modern means of handling information, facilitated by electronic communications and rapid transportation networks, have encouraged retailers and mass marketers to increase the scale and geographic scope of their operations. Wal-Mart uses its massive purchasing power, vertical integration, and inventory control to undersell its competitors and operate profitably within distant markets (Kuby et al, 2001). Post-industrialism has also contributed to the rise of a "new middle class" (Ley 2000: 617). Composed largely of knowledge-based white-collar workers, professionals, and managers, this class is closely associated with the gentrification and counter-urbanization processes that have reshaped 'urban' landscapes in recent decades (Champion 1991; Ley 1996). According to liberal interpretations, these movements reflect a desire on the part of the new class to reside in more vibrant (cultural, recreational) and attractive (heritage, natural) environments. Other perspectives have pointed to the influence of non-traditional households, the pull of employment opportunities uniquely associated with the knowledge sector, and the rapid and spatially unconstrained (tele-) commuting possibilities afforded by the computerized workplace. The causes and implications of post-Fordism overlap with several of these themes. Like the service industries, post-Fordist economies rely heavily on information and modern communication and transportation technologies. In fact, according to many analysts, the flexibility generated and demanded by the use of technology within advanced capitalist economies is the defining quality of post-Fordist modes of production.<sup>3</sup> In contrast to the principles of mass production, post-Fordism empha-

sizes adaptability (by labour, production location, and markets), leaner production (less management and inventory), and better integration between production and research (Elam, 1994; Gertler 2000). Post-Fordist firms are thus less concerned about lowering costs through scale economies and more focussed on exploiting new opportunities as they arise. Some post-Fordist industries are said to be 'footloose' in the sense that they are not as strongly influenced by access to materials and markets in the Weberian sense and, consequently, are more willing to relocate when conditions change. Telephone call centres are examples of businesses that can locate virtually anywhere (Richardson and Marshall, 1996).

Research to date suggests that the impact of post-industrialism and post-Fordism varies by degree and character across British Columbia. Vancouver's economy undoubtedly has benefited the most. Over the last twenty years, significant growth in urban tourism, movie and television production, software engineering, high-tech research and development (notably energy and medicine), international finance, and producer services generally have helped create one of the most diverse economies in Canada (Gordon et al, 2000). These new production spaces in combination with significant inner-city re-investment, gentrification processes, and a wave of immigration from Asian countries have reworked the city's economic and cultural landscapes (Hutton 1997b). Davis (1993) argues that these changes may be evidence that Vancouver is uncoupling from the province's staples-dependent periphery. Hutton (1997b) and Hayter (2000) offer more cautious (restructured core-periphery) interpretations; ones which acknowledge the importance of both the city's new trajectory and its ongoing connections to staples production. These authors point out, furthermore, that post-Fordist principles have also re-configured staples industries in the periphery, although the impacts on staples dependent communities, in contrast to Vancouver's experiences, are generally negative. High paying, union jobs have declined in the face of increased automation, plant rationalization, and demands for more flexible labour (Barnes and Hayter, 1994). Factory specialization (reduced product lines and thus markets) has also increased the volatility of local economies (Hayter, 2000). These impacts are most evident in the coastal communities that are dependent on the region's aging forest and fishing industries. For example, between 1980 and 1997, MacMillan-Bloedel (now Weyerhaeuser) laid off approximately fifty percent of the workforce at its large integrated mill in Port Alberni, precipitating a series of economic (high unemployment, mortgage foreclosures), social

(depression and divorces), and demographic (population loss) repercussions (Hayter, 2000). In fact, over the past 25 years, regions along the central and northern coasts have consistently lost more intra-provincial migrants than they have received. Communities in the central and northern interior have suffered less; nevertheless, this region has also struggled since the deep recession of the early 1980s. While post-Fordist strategies have increased the competitiveness of staples industries in these areas, they have done little to mitigate the uncertainty and thus instability of life in resource-dependent communities.

The situation in communities between these extremes is less clear. There are indications that larger communities in the southern interior such as Kelowna and Kamloops, and perhaps even regional centres such as Prince George, are diversifying (BC Stats, 1999). Kelowna, in particular, has been successful in attracting high-tech firms—promoting itself as an up and coming “Silicon Vineyard” (Mandel, 2000; Science and Technology Council of the Okanagan, 2001)—while all three appear to be “expanding their roles as sub-regional service centres” (Kunin and Knauf, 1992; Momer, 1998). Migration patterns in these communities are, furthermore, more stable and thus less typical of the cyclical or depressed patterns found in resource-based communities. There is also some evidence that amenities and quality-of-life in the form of scenery, mild climates, access to recreation, and low costs of living are playing an increasingly important role in local economies. However, to date, our understanding of the character and significance of economic and social change in these communities is limited. We do not know, for example, the degree to which economic diversification is occurring in the periphery, and, if significant, whether it is a product of post-industrial and post-Fordist forces. We also do not know if there is any connection between economic trajectories in these communities and changes in their social and cultural landscapes. It would be valuable to have some sense, furthermore, if the connections between local and global economic changes are scale and context dependent. Are the forces shaping cities like Kelowna and Kamloops akin to those documented in the core? Or, as Barnes (1996b) argues, are there only local and thus unique geographies of economies? Sensing that the latter may be closer to the mark, the next section sets the scene by providing an overview of Kamloops’ recent economic history. Subsequent sections of the paper summarize statistical data on labour force and related changes in Kamloops in the hope that broader inferences about the influence



of post-industrial and post-Fordist forces in this community can be made.

### **Kamloops' Traditional Staples and Service Economy**

Kamloops has a long and varied history as a staples and service centre. Located at the confluence of the North Thompson and South Thompson rivers, Kamloops has been variously described as “the forks”, the “inland capital” and “the hub” of BC’s south central interior (Morse, 1957: 9, 11; Favrholt, 1989: 47). The South Thompson River defines the only major east-west valley in southern BC, while the North Thompson provides a direct connection to the Upper Fraser, and thus, to central BC (Figure 1). In addition, the Okanagan Valley—located 90 kilometres to the east of the city—provides a direct connection to the Columbia River system, while the Nicola valley, just 30 kilometres to the south, affords access to a large portion of the southern interior plateau. Thus, Kamloops has long had an important crossroads function. For the Secwepemc people, the meeting of these rivers has been an important gathering and overwintering location. Their winter homes dotted the banks of the Thompson, and the confluence of the North and South Thompson was an important trading location for them and for neighbouring peoples of the Fraser, Nicola and Okanagan Valleys. Indeed, the Secwepemc name for this location—Cumcloups—gradually evolved into the present-day name of the city (Favrholt, 1989).

The first European settlement was established in 1812 when the Pacific Fur Company and the Northwest Company established fur posts in the area. By the second decade of the nineteenth century, when the Hudson’s Bay Company (HBC) had taken control of the export-oriented fur trade, Kamloops was situated in the middle of the company’s cordilleran operations. Located roughly half way between Fort Alexandria to the north and Fort Okanagan to the south, Kamloops was an important way point on the Brigade Trail, along which furs, horses, dried fish and other provisions and supplies were transported between the posts (Harris, 1997: 39-41). This transit function further expanded when gold was discovered along the Fraser in 1858 and in the Cariboo and Big Bend regions in 1862 and 1865 (respectively). People and supplies passed through Kamloops en route to these gold fields, and the settlement – still focused on the HBC post – became an important supply centre for the miners. American cattle drovers were among the first to establish ranches in the area in the 1860s, in direct response to the

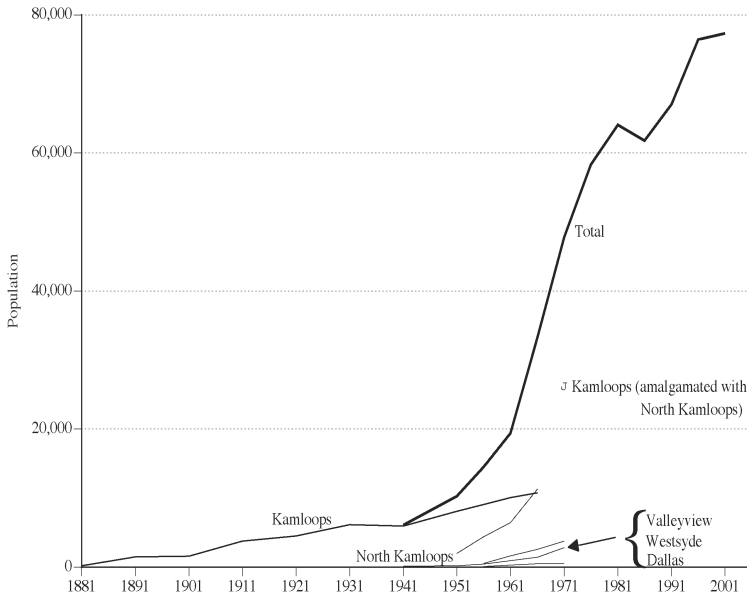
demand for meat created by the miners (McLean, 1982). The establishment of Indian reservations and the implementation of a regime of private property by the colonial government opened the traditional Secwepemc territory and adjacent lands to further cattle and sheep ranching and agricultural settlement (Weir, 1964).

Thus, Kamloops gradually evolved from an Indian settlement and fur trading post to a “frontier village” (Morse, 1957: 19). Still, the village remained a fledgling settlement until the arrival of the transcontinental railway in 1885. The Canadian Pacific Railway (CPR) not only linked Kamloops and the rest of the Province to eastern Canada and to the Pacific – fulfilling the promise of Confederation – it was, and still is, a key element of the local landscape. The limited flat land along the South Thompson River has created an intimate connection between the railway and the community. Initially the CPR tracks ran down the centre of Kamloops’ main street, and they remain a significant edge or barrier between the downtown core and the South Thompson River. In 1891, water and electrical power systems were established and, in 1893, the town received its municipal charter. At this date, approximately 1,000 people lived in the town and only rudimentary services were available for citizens. As Kamloops evolved into an agricultural service, sawmilling, and small-scale distribution centre, its population grew slowly. In 1914, Kamloops’ citizens numbered 4,000 (Balf, 1989).

The town’s importance as a transportation centre was reinforced in 1915 when the Canadian Northern Railway (later the Canadian National Railway) completed its trans-Canada line through Kamloops, and linked Kamloops to Edmonton via the North Thompson route. Fruit and vegetable farming, promoted in nearby North Kamloops and Brocklehurst by the BC Fruitlands Corporation, led to the development of a sizeable canning industry that produced apples and tomatoes for new markets accessible via the railway lines. Beans, potatoes, onions, and even hops were also produced for external markets; these remained important local crops until the 1950s (Hay and Favrholt, 1996). In 1946, Kamloops and North Kamloops recorded a combined population of 11,300 (Favrholt, 1989).

Kamloops grew more rapidly after the Second World War, effectively doubling its population by 1961 (Figure 2). More than half of this growth occurred on low-lying agricultural land beyond the city’s legal boundaries. The largest of the new communities was North Kamloops. Abetted by the construction of new bridges across the Thompson River in 1923 and 1962, North Kamloops

grew from a small agriculture village of less than 500 people in the 1920s to an incorporated town of six and a half thousand by 1962. The town added a further 5000 residents by 1966, making North Kamloops the largest urban area in the region. Brocklehurst, Rayleigh, Westsyde, Valleyview, Dallas and Barnhartvale were other incorporated and unincorporated communities in the immediate area. They collectively contributed 6000 or so people in 1961 (Moffat, 2001).



**Figure 2** Population growth, 1881–2001

The conversion of farmland was symptomatic of technological changes in fruit and vegetable production and of constraints imposed on urban development by the area’s physical geography. Kamloops’ small-scale fruit and vegetable industry could not compete with the large agri-businesses that were starting to appear at this time in the Okanagan and the United States, while general improvements in canning, refrigeration, transportation and marketing meant stiff, year-round competition even in local markets. The last Kamloops area cannery ceased operation in 1959. As the viability of agriculture declined, and as the population grew, economic pressures to develop the lands along the rivers increased. The pressure was heightened by the scarcity of flat land suitable for

residential and commercial development. Kamloops is situated in a narrow, steep-sided valley. Unstable silt bluffs, and a 500-metre change in elevation to the plateau above, limit upslope development, while flooding and a First Nations reserve limit choices in the valley bottom. While economically logical, the conversion of farmland was not, according to at least one observer, a desirable or inevitable outcome. In an address to the Community Planning Association in Kamloops in 1952, J. Lewis Robinson (UBC Professor of Geography) encouraged local planners to preserve agricultural land by intensifying residential land use and, if necessary, "zoning agricultural land to protect it from [further] encroachment" (Robinson, 1952: 9). Robinson acknowledged that the city's future would likely be tied to "being the market and supply centre for southern B.C." (Robinson, 1952: 8). He argued, nevertheless, that as residential areas expanded into the region's limited agricultural lands, the city was "in danger of 'biting off the hand that feeds it'" (Robinson, 1952: 10).

Kamloops' growth at this time, like other communities in the interior, was spurred to a large degree by investments the BC government made in the province's road network and 'physical plant'. These initiatives, and an increasing shortage of easily accessible timber on the coast, stimulated the interior's forest industry and thus Kamloops' role as a service centre. Two sawmills were located in the city along with numerous small operations in the surrounding region. Government and other service sector employment, at an estimated 25 percent of the city's payroll, was the leading contributor to the city's economic base (Black, 1965: 88). Transportation also continued to play an important role. Employment in railway shops and in other transportation activities was estimated to account for nearly one-fifth of the city's payroll in 1961. Retail and wholesale trade accounted for a similar proportion while the manufacturing sector (sawmills plus a small oil refinery) generated 12 percent.

To a large degree, the origin of Kamloops' contemporary urban structure is rooted in the resource boom of the 1960s and 1970s. Strong demand and rising commodity prices contributed to the construction of a sawmill and pulp mill complex on the south bank of the Thompson River, expansion of the Royalite-Gulf Oil refinery in Brocklehurst, and extensive mining activities to the southwest and west of the city. The Weyerhaeuser pulp mill gradually became the city's single largest employer. It had over 800 people on staff when it opened its second mill in 1971. Further expansions increased staffing levels to almost 1000 by 1980. The Bethlehem,

Highmont, Lornex and Afton cluster of copper mines also contributed to the economy. The Afton mine, which began operation in 1979, was located only 12 kilometres west of the city centre (Figure 3). It employed 300 workers. A small proportion of the 1600 employed in the more distant mines in the Highland Valley lived in Kamloops. These mines helped stimulate, nevertheless, backward and forward linkages in the local economy. Heavy machinery suppliers (Finning), pipeline operators (Trans Mountain Pipe Lines), geotechnical firms (Placer Dome), exploration and drilling firms (Tonto), and a manufacturer of steel balls used to grind mined ore (Molycop) established bases in Kamloops.

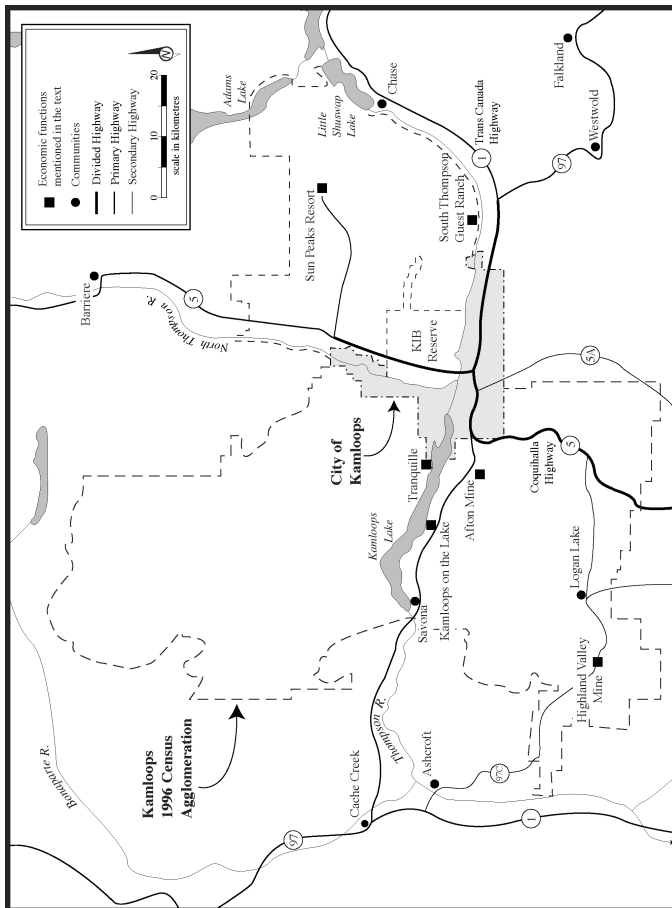
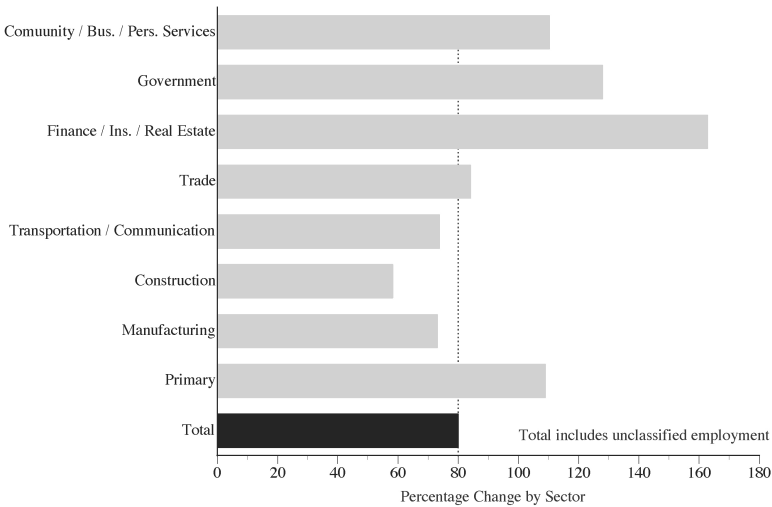


Figure 3 Kamloops' Area Economic Activities

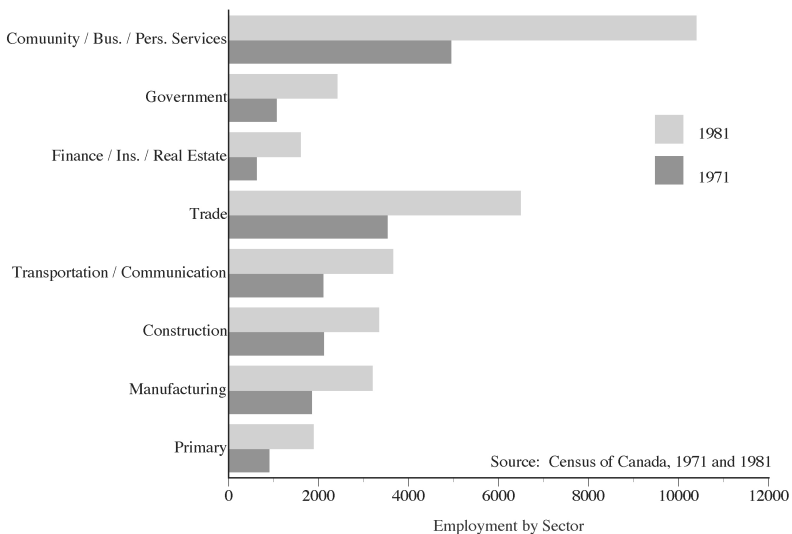


**Figure 4** Sectoral change in Kamloops' labour force, 1971 to 1981

These developments were clearly reflected in census returns. Between 1971 and 1981, employment in the primary sector more than doubled while the secondary sector (principally resource processing), transportation, and construction grew at rates similar to that of the labour force as a whole (Figure 4). Employment in transportation continued to be the largest segment of the staples economy in absolute terms (Figure 5). The greatest impact of the staples boom, however, was in the non-basic sector. High wage, union jobs in the mines and mills translated into an increased demand for goods and services. In 1971 and in 1981, community, business and personal service employment was the largest segment of the city's labour force, increasing its share from approximately one-quarter in 1961 to one-third in 1981, representing more than 10,000 workers. Employment in the wholesale and retail trade held steady throughout this period at 20% of the city's workforce, while the smallest service sectors (government and finance, insurance and real estate) recorded the greatest relative growth during the 1970s.

Growth in the service economy was reflected and abetted by the construction of four neighbourhood or regional malls, improvements to the highway network, and the opening or expansion of public sector (educational, medical, and legal) institutions. Cariboo College was one of several regional, two-year academic vocational institutions established in the late 1960s and early 1970s in British Columbia. Its main campus was constructed on a bench on the

southern edge of the city overlooking the confluence of the rivers. Satellite campuses in Williams Lake, Merritt, Ashcroft, Lillooet, Clearwater, and 100 Mile House, as well as community offices in smaller centres, enlarged its student and faculty base (Figures 1 and 3). Kamloops' role as a regional service and distribution centre was further solidified by the completion of the Trans-Canada highway (1962) through Rogers Pass, eliminating the circuitous Big Bend highway and thereby significantly improving connections to Calgary and southern Alberta. A new highway to the north (Yellowhead, #5) similarly extended Kamloops' market range and improved links between the city and Edmonton.



**Figure 5** Kamloops Labour Force, by industrial sector, 1971 and 1981

Vigorous growth in all sectors helped to create a diversified economy. In fact, a 1971 labour force study suggested that Kamloops, along with other regional centres in British Columbia, had one of the more diversified economies in Canada (Li et al, 1978). The authors of the study used a city-size adjusted specialization index to measure the degree to which employment was concentrated in particular economic sectors. Places with an equal percentage in each sector received an index of one. Kamloops' index value was 1.93. In comparison, Kelowna, Prince George and Nanaimo had index values of 2.05, 1.73, and 1.36 respectively.

Values for smaller resource dependent communities tended to be much higher. Kitimat's index, for example, was 5.21, Trail's 3.35, and Powell River's 4.27. Vancouver (2.34) and Victoria (3.48) also registered higher degrees of specialization.

Growth and economic diversification are fundamental goals of staples communities. However, extended periods of rapid development can also be a source of concern. After doubling between 1946 and 1961, the population more than doubled again to 47,800 by 1971 (a phenomenal average rate of 8% per year) (Figure 2). The legal boundaries of the city also expanded. North Kamloops and Kamloops amalgamated in 1967 (Figure 6). In 1973, at the encouragement of the provincial government, the outlying municipalities of Dallas, Valleyview and Westsyde, as well as the unincorporated communities of Brocklehurst, Dufferin, Rayleigh, Heffley Creek, and Barnhartvale joined the city. These changes extended the municipal limits 16 kilometres to the east of the downtown (to Campbell Creek) and nearly 32 kilometres to the north. In total, the city's boundaries enclosed 311 square kilometres (much of it semi-rural, agricultural, or hazard lands), making it one of the largest cities in British Columbia. The large spatial extent was in part dictated by the ungainly, linear configuration of existing settlement along the river valleys. Planners and civic officials, however, also wanted to ensure that there was space enough to accommodate anticipated growth. In the enlarged city's first official community plan, conservatively extrapolated growth rates (4% annual growth) suggested that the city's population would reach 75,000 by 1980, pass 100,000 by 1990, and top 160,000 by the year 2000 (City of Kamloops 1974). More aggressive estimates (6% annual growth) envisioned a city of 200,000 by the late 1980s. Planners also decided that new residential, commercial, and industrial developments should be concentrated initially in the southwest sector of the city to create a more compact ecumene and thus a more economic and efficient infrastructure (roads, sewer, water, schools). This decision has proven important despite slower than anticipated growth. Kamloops' population increased at an average rate of 3% annually between 1971 and 1981 to a total just over 64,000. Growth since then has averaged 1.5% annually. The southwest sector has become, nevertheless, the focus of the city. Adjacent to the university college (now Thompson Rivers University) and serviced by the Trans-Canada highway, the southwest sector has left its staples-driven origins behind in the process of becoming the post-industrial (retail, education, and light-industrial) engine of Kamloops' current economy.



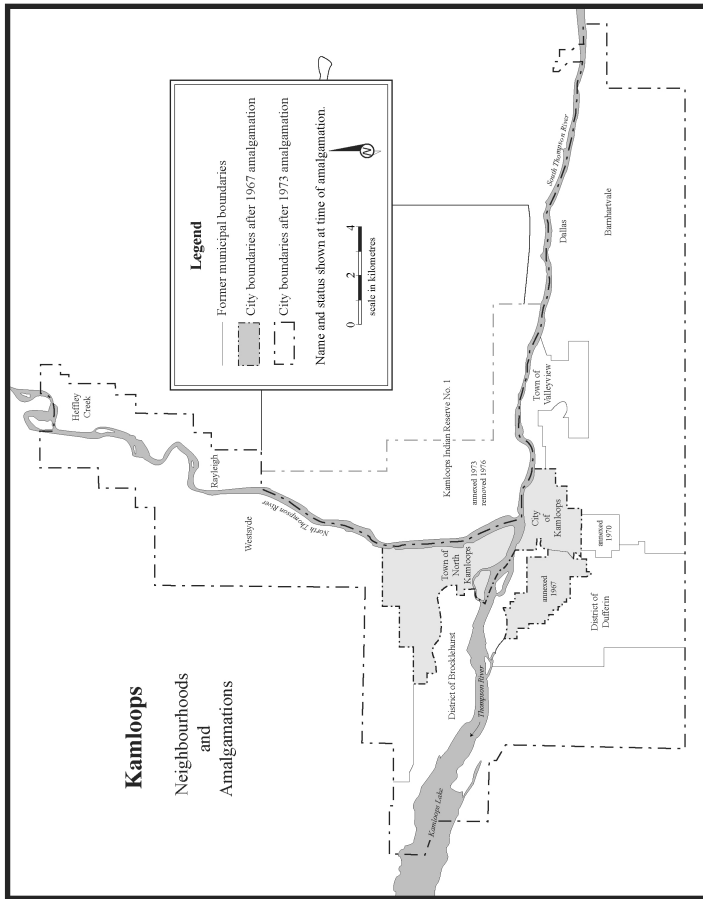


Figure 6

### Decline of the Staples Economy

A large service sector is not, by itself, a warranty against an economic downturn in a staples economy. According to economic base theory, the critical (basic) industries in an economy are those that draw in new money by exporting goods or services to other regions. This direct monetary input can multiply when the new money subsequently circulates through (nonbasic) industries that meet local demands (Kuby et al, 2001: 143). This is the process that propelled Kamloops' economy during its golden years. However, the process can also work in reverse, as Kamloops and other com-

munities in British Columbia's resource periphery demonstrated all too well in the early 1980s. A severe decline in the staple exporting industries at this time multiplied through the economy, reducing employment in all sectors (Davis and Hutton, 1989; Barnes, 1996a).

Between 1982 and 1986, British Columbia suffered through a severe economic recession. Federal governments in industrial countries raised lending rates to 20% at this time in an attempt to curb double-digit inflation and cool down overheated economies (City of Kamloops, 1989: 2-3). The strategy worked, but the implications for British Columbia's staples economy were severe. The inflation-adjusted price of lumber fell by over 25% and copper by over 50% as shrinking industrial economies meant less demand for raw resources and thus lower commodity prices. In response, British Columbia's gross domestic product (GDP), which had grown at an annual average of 6.2% through the 1970s, fell hard. In 1982, the province's GDP dropped 10% (inflation adjusted). It was down a further 1% in 1983 and up only slightly in 1984. Marginally better results were recorded in the two following years; however, it took a strong performance in 1987 (+7%) for the province's output to return to pre-recessionary levels.

The resource interior of British Columbia was particularly hard hit as almost half of its regional districts lost population. Kamloops lost almost 2500 residents—or approximately 4% of its total—between 1981 and 1986 (City of Kamloops, 1995a: 4-5). Housing starts collapsed from more than 1,100 per year in the early 1970s to fewer than 100 per year (Figure 7) while all sectors of the economy lost workers. Manufacturing and construction employment fell over 25% and government services nearly 20%. Even jobs in the retail and the Finance, Insurance, and Real Estate (FIRE) industries shrank faster than the overall population as the unemployment rate rose from 7 to 15% (Census of Canada, 1981 and 1986).

The recession of the early 1980s was a catalyst for change in staples industries. When commodity prices recovered in the late 1980s, resource companies did not respond by rehiring workers. Concerned about future downturns, companies chose instead to invest in technology. The amalgamated Highland Valley copper mine, for example, currently employs only two-thirds of the workers its predecessors did in 1980. The mine has, nevertheless, maintained output by the use of larger equipment and high-tech systems (GPS and GIS) that constantly monitor excavation and refining. Highland Valley was also able to introduce flexibility into its cost structure when the company, union and provincial

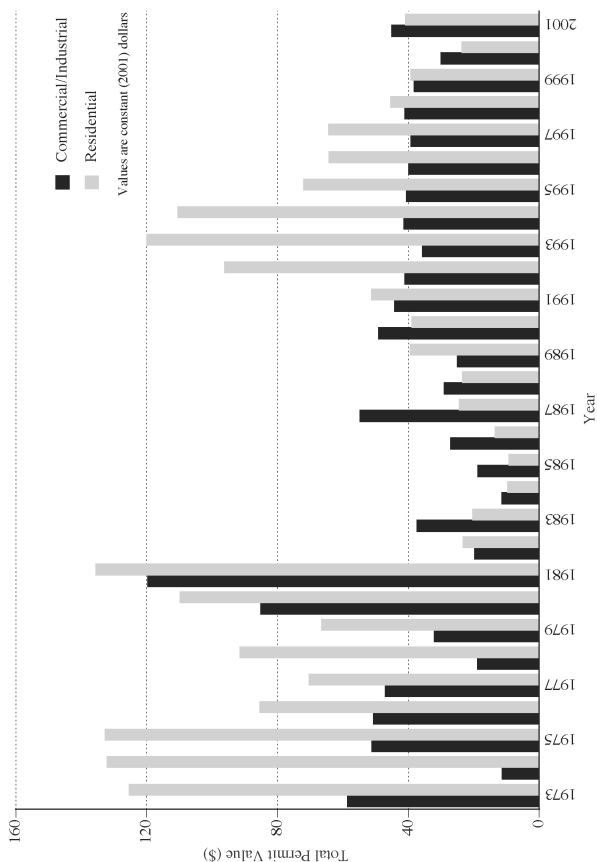


Figure 7: Residential and commercial construction, 1973 to 2001

Figure 7 Residential and commercial construction, 1973 to 2001

government agreed to a risk-sharing arrangement that tied wage and hydro rates to the price of copper (Cominco, 1999). Transportation, forestry, and utility companies have turned to similar technological solutions as well as corporate restructuring to reduce or in some cases eliminate both front-line and office workers. Weyerhaeuser, for instance, transferred most of its head office operations to Vancouver when its US parent acquired MacMillan Bloedel. BC Gas, BC Tel, and BC Hydro have also relocated or contracted out many of the functions they used to provide locally. In the mining sector, several companies have closed outright (Placer Dome’s regional office) or, like home-grown Tonto Drilling, moved elsewhere (Salt Lake City).

The magnitude of staples industries in Kamloops' current economy is not readily apparent in local census returns. Labour force statistics for Kamloops suggest that the primary and manufacturing sectors grew between 1986 and 1996, the latter at a faster rate than the overall labour force (Figures 8 and 9). Part of the increase in the primary numbers is the result of intra-regional migration. Nearly half of Highland Valley's 1100 employees now live in Kamloops. Miners have moved into the city in response to both new highways (Highland Valley is only a 40 minute commute over the Coquihalla highway<sup>4</sup>) and fears about the future of Logan Lake (the instant resource town created to serve the mine). The mine closed for 4 months in 1999 due to low copper prices and is projected to cease operations in 2008. Detailed labour force statistics for the Thompson-Shuswap region reveal more clearly than the Kamloops city data, the scale and nature of labour force change in Kamloops and its hinterland (Figure 10). These figures indicate that while agriculture-related employment showed a slight increase between 1991 and 1996—due primarily to the expansion of ginseng production in the South Thompson and Nicola Valleys—mining and forestry recorded sizable losses in employment in this period (-11.9 and -12.5 percent respectively, representing nearly 3000 jobs in total). Similar losses were also recorded in the transportation category (-17 percent), reflecting the declining role of the railway in regional transportation.

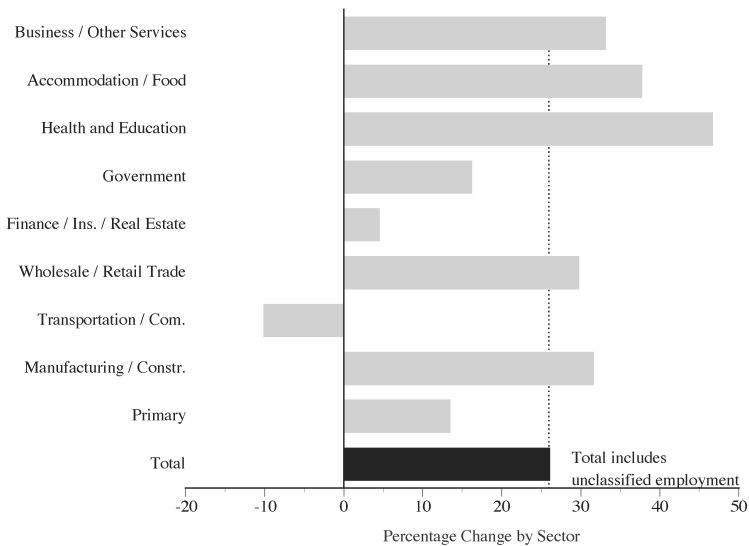
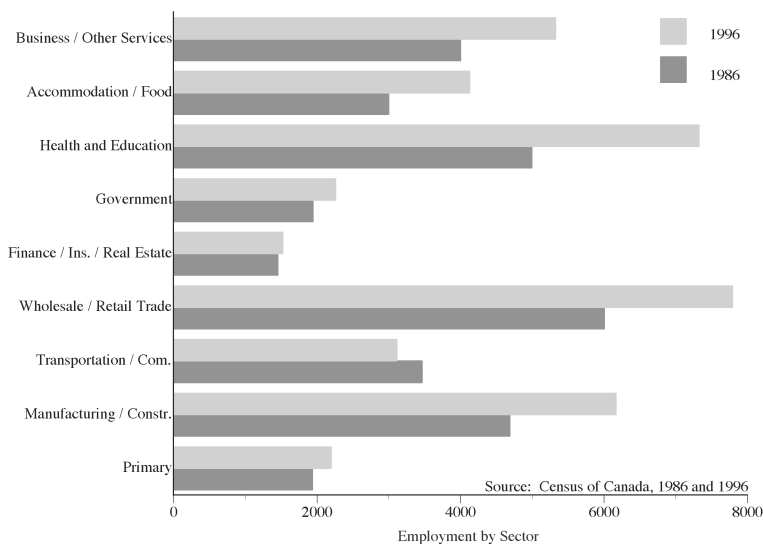


Figure 8 Sectoral change in Kamloops labour force, 1986 to 1996

Local and regional data are also indicative of structural changes in the manufacturing sector. In contrast to Fordist trends 40 years ago, but in line with post-Fordist theory, most new manufacturing enterprises were small in scale, relatively well diversified, and not necessarily tied to local resources or markets (BC Stats, Quarterly Regional Statistics). New operations included two ginseng processing and export plants, a log home building operation, a specialized ticket printer (Pollard Banknote), and a microbrewery. Bear Beer launched in 1994 and was the first brewery to operate in the city since the 1920s. It selected Kamloops because of local demographics and the city’s proximity to other interior markets. Three years later, the brewery was producing 30,000 hectolitres of beer per year for the local market and for other breweries and outlets in the Pacific Northwest, western Canada, and even Asia. While the high tech sector has not contributed substantially to secondary employment, it is being actively pursued. Technology Kamloops—a recently formed coalition of local politicians, educators and the business community—wants to become one of the only 30 cities in Canada to have a “community fibre network”. The network would provide high-speed network capabilities to all citizens and businesses and thus help the city attract new high-tech ventures (Technology Kamloops, 2001).



**Figure 9** Kamloops Labour Force, by industrial sector, 1986 and 1996

### The New (Post-industrial—Post-fordist) Economy

Service industries, as argued, have played an important role in Kamloops' economy for a long time. However, the decline of staples industries and their associated linkages coupled with the rise of a global, post-industrial economy has changed both the relative importance of staples and services and the character of the latter in the local economy. Perhaps the best illustration of shifts in the local economy is found in a government sponsored analysis of local economic dependencies and impacts (BC Stats, 1999). According to the study, public services (education, health, justice and government) are now the dominant basic sector in the Kamloops region (including Logan Lake and associated rural area). An estimated 27% of the "basic after-tax income is attributable to this sector" (BC Stats, 1999: 23, 27). The primary sector, in comparison, generates 20% of the total (forest 11%, mining 7% and agriculture 2%) while transfer payments (16%) and investment income (10%, other non employment) are also significant contributors (Table 1). The study also indicates that Kamloops has one of the most diversified and responsive non-basic economies in the interior. Only urban areas in the Okanagan and lower Fraser Valley equal or surpass Kamloops on these measures.

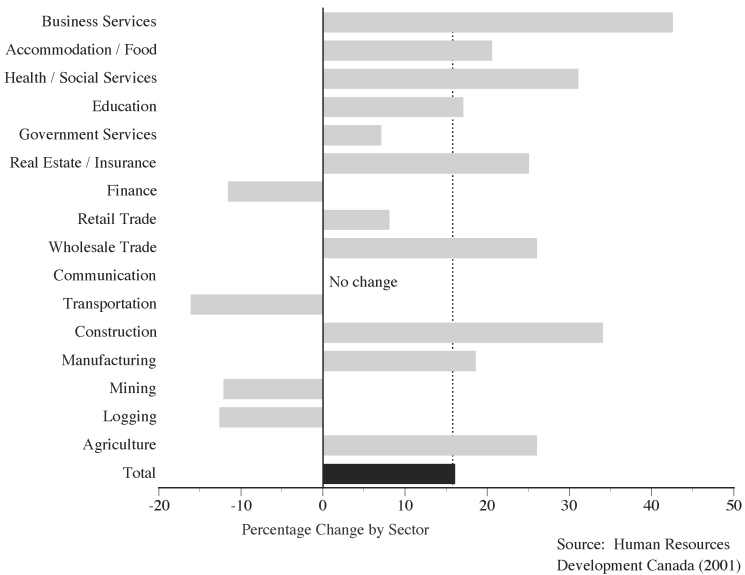


Figure 10 Sectoral change in the Thompson—Shuswap region's labour force, 1991 to 1996

The general trend away from transportation and resource-related employment towards a more service oriented employment base is also clear in labour force statistics. The health and education sectors registered the largest increase in employment between 1986 and 1996 and together constitute the second largest sector (after wholesale and retail trade) in the local economy (Figure 8). Three of the five largest employers in Kamloops, furthermore, are found in this sector (Table 2). Of particular importance is the University College of the Cariboo (now Thompson Rivers University). In 1989, Cariboo College became a four-year degree-granting institution through partnership relationships with provincial universities, laying the foundation for considerable cultural and economic growth during the early 1990s (Wynn, 1998). The full- and part-time student population of the degree-granting institution rose from fewer than 4000 in 1989 to more than 7000 in 1993 to approximately 8000 at present. Together with the concomitant increase in staff and faculty, this growth provided a significant stimulus to the local housing market and to the overall economy. One estimate suggests that the 700 faculty and staff employed by The University College of the Cariboo in 1994/95, along with related indirect and direct expenditures by the institution, created 984 additional jobs and added \$40 million to the local economy (Androkovich and Seldon, 1995: 15). The institution is also a key ingredient in efforts to attract high-tech businesses to the city.

**Table 1:** Basic sector income as a percent of total basic income, 1996.

<i>Sector</i>	<i>Cities</i>						
	<i>Kamloops</i>	<i>Kelowna</i>	<i>Trail/ Rossland</i>	<i>Prince George</i>	<i>Williams Lake</i>	<i>Fort St. John</i>	<i>Port Hardy</i>
Agriculture	2	4	0	1	4	5	1
Fishing	0	0	0	0	0	0	5
Forestry	11	4	6	33	31	11	51
Mining	7	1	28	1	3	26	5
Total Staples	20	9	34	35	38	42	62
Construction	9	11	5	8	7	8	3
Tourism	6	6	4	4	7	7	7
Public Sector	27	21	23	24	22	19	16
High Tech	0	1	0	1	1	1	0
Other Basic	13	15	4	10	3	10	2
Transfer/ Investment	26	36	30	18	22	15	10

**Table 2** Major Employers in Kamloops, 2000

<i>Employer</i>	<i>Employees</i>
School District No. 73	1486
Royal Inland Hospital	1446
Weyerhaeuser Canada	920
University College of the Cariboo	800
City of Kamloops	650
Convergys	600
Overlander Extended Care	450
Highland Valley Mine (Logan Lake)	449 *
Pollard Banknote	320
McDonalds Restaurants (5)	315
Canada Safeway	306
BC Lottery Corporation	295
Overwaitea	262
Ponderosa Lodge	250
Canadian Pacific Railway	220
Canada Post	197
Insurance Corporation of BC	182
Wal-Mart	182
Tolko Industries (sawmill)	180
Coopers Grocery	178
Costco Grocery	178
Real Canadian Superstore	175
Zellers	157
Paul Creek Slicing (Wood Processing)	150
Sears Canada	150

\* Employees living in Kamloops only

Source: Venture Kamloops, 2000

Quaternary and footloose service industries also began to establish new locations or expand existing operations in Kamloops during the late 1980s and early 1990s. Examples include the provincial lottery ticket centre (BC Lottery Corporation), a large planning, engineering and consulting firm (Urban Systems), a call centre (Convergys), and most recently an aeronautical information provider (Nav Canada). These businesses have spurred the construction industry with major investments in new or existing properties, created backward linkages, and, particularly in the case for Convergys, expanded the labour market. Convergys is the major 'tenant' in a suburban mall and employs 600 workers, making it the



second largest private employer in Kamloops. Federal and provincial training subsidies and the "large number of skilled workers available" reportedly attracted the company to the city (Kamloops This Week, 2000). Unlike staples or manufacturing industries, call centres are not dependent on the location of physical resources or markets; their principal locational factor is labour. In search of pools of moderately skilled (computer and communication systems) yet inexpensive and committed labour, call centres have been attracted to peripheral areas in developed countries. In the case of Kamloops, the disappearance of jobs in staples industries has made call centre employment a necessary option for many workers (Richardson and Marshall, 1996).

Two other important ingredients in Kamloops post-industrial economy are the retail and tourism sectors. As noted above, Kamloops' central location in southern British Columbia has stimulated retail trade since its origins as a fur trading post. This situation has not changed. In fact, recent trends in the retail industry to larger (big box) and more specialized ('category killers')<sup>5</sup> stores has increased the city's market range. Costco, Real Canadian Superstore, Wal-Mart, Michaels Crafts, Pier One Imports, Future Shop, Sport Mart, Toys R'Us, Home Hardware, Coast Mountain Sports, and Chapters Bookstores are some of the major national and international retail firms that have located in the city since the mid 1990s. Almost all of these stores, furthermore, are located in traditional malls, 'power centres'<sup>6</sup>, or individual parcels in Kamloops' southwest sector (Figure 11). Planners directed development into the southwest in the 1970s, as mentioned earlier, in an attempt to create a more compact, serviceable city. This area has been the focus of most of the city's newer and more affluent residential subdivisions. Bisected by the Trans-Canada highway, businesses are also attracted by the southwest's accessibility for consumers in outlying areas. Lured by low prices and greater selection, consumers regularly travel from Merritt, Ashcroft, Chase, the North Thompson communities, and even Williams Lake (3 hours by car) to buy groceries and other low order goods they once purchased exclusively in local markets (Figures 1 and 3). This shopping/retail phenomenon has created its own linkages as restaurants and motels have located nearby in an attempt to provide services to out-of-town, weekend shoppers.

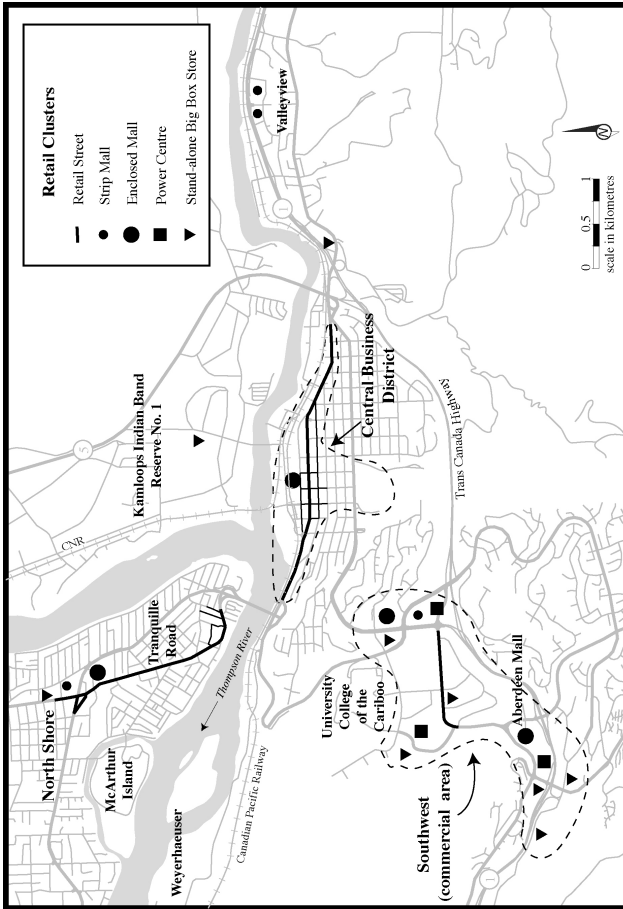


Figure 11 Retail Clusters in Kamloops

Tourism is one of the up and coming sectors of the local economy. While it accounted for only 6% of the city’s basic income in 1996, the tourism industry, as measured by employment in accommodation and food establishments, increased nearly 40% between 1986 and 1996, second only to health and education (BC Stats, 1999; Figure 8). This increase, in part, reflects the efforts of local officials and organizations that vigorously promoted the city as a host for national and international sporting competitions. Since the early 1990s, Kamloops has hosted men’s and women’s provincial, national and world curling championships, the Canada Summer Games, the Memorial Cup, national collegiate championships, national and provincial games for disabled and senior athletes, and

professional hockey and football training camps. The facilities constructed or improved to host these events have, in turn, helped raise the city's reputation as "The Tournament Capital of BC" and thus attract countless smaller competitions. Tourism has also benefited from significant investments—most notably the Coquihalla Highway—in the region's transportation infrastructure. Completed in 1986, the Coquihalla Highway reduced the travel time between Kamloops and Vancouver's city centres from more than six to four hours. Several new or significantly renovated resorts have been constructed in response. Under new ownership since 1992, Sun Peaks Ski Resort, for example, experienced more than \$300 million in new investment in this decade. Located 40 minutes north of Kamloops, this resort was attracting more than 200,000 skiers per season by the end of the 1990s (Figure 3). Together with seven hotels, 24 shops and new private homes, chalets and townhouse complexes, Sun Peaks was estimated to be creating several hundred seasonal jobs and generating nearly \$40 million in revenue per year (Wishart 2001). Other planned or completed resorts include the South Thompson Guest Ranch, Kamloops on the Lake, and a yet to be named complex on the old Tranquille sanatorium / hospital property at the head of Kamloops Lake. The Kamloops on the Lake project generated considerable controversy because land was removed from the Agricultural Land Reserve (ALR). The resort, originally scheduled to be opened in 2003 and, now, advertised to open in 2005, will include a championship golf course, a 100 boat marina, an equestrian centre, a back country recreation area and fly fishing complex, a golf resort lodge and conference centre, a village hotel, and, in what could be seen as an ironic tribute to the ALR and the region's staples history, a working cattle ranch, guest ranch lodge, and themed retail village.

### **Impacts and Reactions to the Post-industrial and Post-fordist Economy**

The post-Fordist stabilization of staples industries and the concomitant rise of post-industrial service industries helped reverse the population loss Kamloops experienced in the early 1980s. By 1991, Kamloops' population had risen to 67,000 and in 1996, after a strong surge in the early 1990s, topped 76,000 (Figure 2). Population growth appears to have slowed since then in line with the general downturn in the provincial economy.<sup>7</sup> Residential and commercial construction followed a similar pattern, although the latter, reflecting investments in the retail sector and quaternary

businesses, has held up more in recent years. At present, Kamloops is the twelfth largest municipality (second largest in the periphery) and the fifth largest urban area (according to Census definitions) in British Columbia.

The spatial pattern of residential growth during this period has been very uneven. Most of the growth has occurred in the southwest sector and in outlying suburban areas. Residential areas adjacent to the central business district (CBD) and in the older suburbs in North Kamloops and parts of Brocklehurst have stagnated or lost population despite the availability of vacant, infill sites in the latter two. Only 50 percent of the city's population now resides in the original urban concentrations on the south and north shores. A similar, but much more dramatic, directional shift has also taken place in commercial land use. Since the construction of the suburban Aberdeen mall in 1978, all of the CBD's department stores and most of its major retailers (two national chains remain) and grocery outlets (a small local business has recently opened its doors) have moved into the southwest sector (Figure 11). Commercial areas in North Kamloops, Westsyde and Valleyview have also declined. Recent fieldwork conducted by the authors revealed a 15% vacancy rate along Tranquille Road, North Kamloops' main commercial drive.

While reluctant to regulate commercial growth in the southwest on the grounds of being branded "business unfriendly", the city has taken steps to encourage development in the CBD and older neighbourhoods on the north shore. The city's "Official Community Plan" promotes, for example, the "concentration of intensive commercial [buildings], major public facilities, and cultural and high density residential [developments]" in the CBD in order to create a "vibrant and recognizable centre of the community" (City of Kamloops, 1997: 20). Large public projects completed in the downtown since 1986 include a 5000 seat arena (Riverside Coliseum, since renamed Sport Mart Place), a new municipal library and art gallery, a planning and civic services building, new headquarters for the Royal Canadian Mounted Police, and ongoing beautification of the principal shopping street (Victoria) (Favrholdt, 1989: 75). A proposal was also put forward for a publicly assisted convention centre; the proposal was shelved, however, after hotels in the southwest sector complained loudly about unfair competition. Planners have also drawn heavily on 'livable city' concepts in their efforts to retain the character of the older, heritage neighbourhoods and to take best advantage of the remaining view and river front sites within or near the urban core (City of Kamloops, 1994).

These efforts, complemented by the establishment of a twice-a-week farmers market, and street or park based cultural events, have met with a measure of success. The former Canadian National Railway Station and associated industrial land was redeveloped into multifamily housing, and marketed to empty nesters and single urban professionals. The plan for this complex, nostalgically named "The Station Plaza", includes a neighbourhood pub and lower floor retail space. Several large seniors-oriented apartment and activity complexes have also been constructed recently while established neighbourhoods—popular with educated professionals (there is a concentration of UCC faculty in the area) and others who value their accessibility and character—have experienced considerable social and commercial upgrading (City of Kamloops, 1995b: 5-6; Stewart and Moore, 1997: 5-10). These developments, in combination with the loss of anchor retail tenants, are changing the personality of Kamloops' CBD. Once the centre of town, the CBD is gradually developing a lifestyle community to complement its traditional high order business and commercial functions.

Initiatives on the north shore of Kamloops have focussed on the revitalization of Tranquille Road. This road, once the main street of the separate municipality of North Kamloops, is now a struggling commercial strip populated by second hand stores, automobile-oriented businesses, ethnic restaurants, and neighbourhood services. At the request of the local business community in the early 1980s and again in the mid 1990s, the city twice implemented strategies to capitalize on its "unrealized potential as a major pedestrian-oriented shopping street" (City of Kamloops, 1982; City of Kamloops, 1995c: 7). Improvements included the removal of overhead wiring, the addition of trees, planters, bricked sidewalks, benches and ornamental lighting, and the encouragement—through guidelines and grants—of façade improvements. The objective was thus not to compete head on with high volume, low margin retailers, but to offer an alternative: a human-scaled, 'funky' market street. Other recent initiatives and plans call for a 'Smart Park' at the airport (high-tech businesses and light industries), a tourist-related hotel and marina facility near McArthur Island (a major sporting / tournament venue), a resort on the former Tranquille Sanatorium site, a mental health facility, a mini-call centre, and a performing arts centre (NSBIA, 2000; NSBIA, 1999).

As in the CBD, there are important social undercurrents to these post-industrial developments on the north shore. In particular, there is a sense and a concern that the north shore—once a solid blue-collar, yet middle class, collection of neighbourhoods—is

being left behind. This concern came to the fore in public reaction to a proposed low-income housing project. Many local residents and business owners were opposed to the project because the site selected was part of an area identified for a central market in the Tranquille revitalization plan. While city planners questioned the current feasibility of this element, residents felt that it was a critical ingredient in efforts to stimulate business and halt residential decline. If the revitalization plans were effectively set aside, locals reasoned, socio-economic differences between the north shore—now home to some of the city's poorest neighbourhoods—and the south shore would only widen. Similar sentiments were subsequently expressed in public planning meetings (KamTalks 2001) and surveys. North shore respondents to the city's "Citizen Satisfaction Survey" tended to rate quality of life indicators much lower than residents in other areas (City of Kamloops, 2001). North shore residents also had greater concerns about crime, police services, and basic infrastructure (street lighting and sidewalks). The recent relocation of the area's only department store (Zellers) to the city's southwest raised a similar outcry about uneven development. City council and planners are taking these concerns seriously. A design workshop involving local residents and business owners was held recently to generate a development plan for the market centre site (City of Kamloops, 2002).<sup>8</sup> Two additional workshops are scheduled for nearby lots on Tranquille Road. Council has also asked planners to revisit the city's official community plan ahead of schedule in order to address the broader issues as promptly as possible.

## Discussion

The deep recession of the 1980s influenced more than the way staples industries do business. It also impacted the province's staples mentality—the once firm belief that the extraction and export of staples is the 'natural' economy of British Columbia. In the core, and in the periphery, there is now a general acknowledgment that staples industries, for a variety of economic and environmental reasons, will and should play a less significant role in British Columbia's economic future. The transition to a post-industrial service economy has been thus both welcomed and actively pursued by public officials and the business community in Kamloops and elsewhere. High-tech, retail, tourism, and public service jobs are needed to compensate for lost staples employment. They are also seen as a means of insulating local economies from the staples

economy's cyclical fluctuations, particularly if they have, as many suspect, begun to generate their own momentum. But more than this, there is a growing appreciation that services and information-based activities will lead economic growth in the near future. The race to re-invent and market cities in the periphery, as lifestyle communities and cultural centres, to the new middle class has already begun.

While seen as necessary and inevitable, planners and labour market analysts are also apprehensive about the labour force transformation. Service jobs, particularly those in the retail, tourism, and communication sectors, pay relatively low wages. These sectors also rely more heavily on part-time and seasonal employment, and provide less generous, if any, benefit packages (City of Kamloops, 1995a: 8). Together with the general "decrease in higher paying resource sector jobs", the growth of the service sector may result in a less affluent community, and, in turn, create long-term affordability, taxation and servicing issues for the city (City of Kamloops, 1995c: 6). The negative side of the post-industrial economy is also showing up in trends on city's north shore and in its CBD. The growth of post-industrial sectors has diversified and stabilized the local economy. But it also appears to be undermining the traditional functions of these areas and magnifying the socioeconomic differences between neighbourhoods.

The range and character of social and economic changes in Kamloops indicates that the impact of post-industrial and post-Fordist forces in interior cities can differ markedly from those in Vancouver or small communities in the periphery. Unlike Vancouver, Kamloops has not developed significant employment in the high-tech or business service sectors. Extensive areas of gentrified housing, an isolated underclass, and edge cities are similarly absent in Kamloops. Yet, unlike Powell River, Tumbler Ridge or Port Alberni, post-industrial and post-Fordist trends have helped stabilize and diversify Kamloops' economy. The city has also developed a more complex urban geography, one in which 'big city' phenomena are starting to emerge. Kamloops' experience thus appears to fall, as we suspected, somewhere between those of the core and the traditional periphery, suggesting in turn that responses to the opportunities and challenges posed by post-industrial economies is, at the very least, scale dependent.

The transition to a post-industrial economy has also affected Kamloops' status in British Columbia's urban hierarchy. The arrival of big box retailers and the expansion of post-secondary and medical facilities have expanded the city's hinterland, and, in tan-

dem with the decline of staples industries, have altered its traditional relationship with the core. Kamloops' largest staples industries are still controlled from head offices in Vancouver. However, the control centres of most of its new services are located elsewhere. Convergys' head office is in Ohio, Wal-Mart's is in Arkansas, and Costco's is in Washington State. The Kamloops airport is currently run by Vancouver Airport Services, a subsidiary of the Vancouver International Airport Authority. Nav Canada's geographical organization, however, ignores this fact. The mandate of its Kamloops' operation is to provide, not receive, flight information services to the rest of the province. Thus, it may not be simply a case, as Davis (1993) suggests, of Vancouver 'decoupling' from the periphery. As the nature of the periphery and its relationships with other control centres evolve, the linkages between Vancouver and the rest of the province are weakening from both directions.

It is clear that the structure of Kamloops' workforce changed significantly during the last two decades, and that this change has altered the city's internal characteristics and external connections. Nonetheless, one must be careful not to overstate the case. At present, Kamloops still derives a relatively sizable amount of its basic income from staples industries. It also remains to be seen whether Kamloops can develop a high wage, value-added high tech sector. The current global downturn in this sector, and stiff competition from the more quickly growing conurbation in the central Okanagan, has dampened short-term prospects. Yet, without more substantial, high order post-industrial employment, Kamloops' ability to weather the scheduled closure of the Highland Valley copper mine, reduce leakage, and escape its traditional dependence on foreign markets, capital, and control centres is doubtful. As a relatively small city in a relatively remote and under-populated province, Kamloops will long be subject to the twists and turns of the global economy. The driving sectors of the local economy may have changed, but not the underlying economic and power relationships.

### **Acknowledgement**

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## Notes

1. The fact that British Columbia is not a fertile isotropic plain should not be overlooked. British Columbia's rugged topography and limited agricultural lands have placed severe limitations on the development of a more complex and integrated urban system in the interior (Harris 1997).
2. Staples still collectively dominate the province's exports: staples accounted for 73% of the value of exports in 1999, down from 85% in 1990 (BC Stats, 2000).
3. The literature on post-Fordism is vast and includes heated debates over its origin and character. This summary highlights only its more salient and agreed upon qualities. See Hayter (1997) or Hayter (2000) for an introduction to the literature and its connections to economic geography generally and to British Columbia specifically. A broader review of post-Fordism is found in Amin (1994).
4. Logan Lake is now part of the Kamloops census agglomeration (Figure 3).
5. Category killers are national retail chains that feature low prices and a wide range of selection (makes and models) for a limited number of products. Future Shop, which specializes in home electronics and appliances, is an example.
6. Power centres are shopping centres that have many big box, discount, and category killer stores. Unlike traditional malls, stores in a power centre are typically separated by parking areas and thus do not share walls or a common roof.
7. The 2001 census lists Kamloops population as 77,281. Local officials feel, however, that this figure is too low given the amount of residential home construction since 1996. This discrepancy appears to be due to a reduction in the occupancy density statistic, i.e., fewer people per average household.
8. The low income housing project was built on an alternative site on the north shore.

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