

Edited by Magda Fahrni and Robert Rutherford

Creating Postwar Canada
Community, Diversity, and Dissent
1945-75



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Contents

List of Illustrations / vii

Acknowledgments / ix

Abbreviations / x

Introduction / 1

Magda Fahrni and Robert Rutherford

Part 1: Imagining Postwar Communities

- 1 Constructing the “Eskimo” Wife: White Women’s Travel Writing,
Colonialism, and the Canadian North, 1940-60 / 23
Joan Sangster
- 2 The Intellectual Origins of the October Crisis / 45
Éric Bédard
- 3 Acadian New Brunswick’s Ambivalent Leap into the Canadian Liberal
Order / 61
Joel Belliveau
- 4 The “Narcissism of Small Differences”: The Invention of Canadian
English, 1951-67 / 89
Steven High
- 5 From Liberalism to Nationalism: Peter C. Newman’s Discovery of
Canada / 111
Robert Wright
- 6 Multilateralism, Nationalism, and Bilateral Free Trade: Competing Visions
of Canadian Economic and Trade Policy, 1945-70 / 137
Dimitry Anastakis

- 7** Selling by the Carload: The Early Years of Fast Food in Canada / 162
Steve Penfold

Part 2: Diversity and Dissent

- 8** Leisure, Consumption, and the Public Sphere: Postwar Debates over Shopping Regulations in Vancouver and Victoria during the Cold War / 193
Michael Dawson
- 9** Men Behind the Marquee: Greasing the Wheels of Vansterdam's Professional Striptease Scene, 1950-75 / 217
Becki L. Ross
- 10** New "Faces" for Fathers: Memory, Life-Writing, and Fathers as Providers in the Postwar Consumer Era / 241
Robert Rutherford
- 11** "We Adopted a Negro": Interracial Adoption and the Hybrid Baby in 1960s Canada / 268
Karen Dubinsky
- 12** "Chastity Outmoded!": *The Ubyyssey*, Sex, and the Single Girl, 1960-70 / 289
Christabelle Sethna
- 13** Law versus Medicine: The Debate over Drug Use in the 1960s / 315
Marcel Martel

Contributors / 334

Index / 336

Illustrations

Tables

- 1.1 Spelling choice in *The Dictionary of Canadian English* / 98
- 1.1 Estimated share of fast food dollar volume by food type, 1970 / 165
- 1.2 Fast food/drive-in chains established in Canada, 1955-65 / 171
- 1.3 Regional distribution of selected fast food chains in Canada, 1970 / 174
- 1.4 Fast food outlets in Canadian cities with over 100,000 people, selected chains, 1968 / 175
- 1.5 The hamburger's gaze: Percentage of population living outside the potential reach of fast food, 1966 / 176
- 1.6 Independent vs. chain restaurants / 177

Figures

- Wedding party in Pangnirtung, 1942 / 35
- Acadian students protest against the Vietnam War, 1967 / 71
- Université de Moncton students occupy the campus' administrative building, 1969 / 75
- The executive members of the Parti Acadien, 1973 / 78
- McDonald's first Canadian outlet, opened June 1967 / 167
- Store clerk at counter, c. 1940s / 197
- Store clerks at Spencer's department store in Vancouver, 1944 / 202
- Map of downtown Vancouver, 1955 / 221
- Jack Card, with dancers, ca. 1966 / 224
- Program cover, Isv's Supper Club, "Viva la Roma," 1966 / 225
- Yvette Monjour in "Viva La Roma," 1966 / 225
- The father as provider in the spring of 1967 / 255

two bibliographies of Canadian English. Walter Avis' 1965 bibliography of Canadian English contained only 168 items. Ten years later, another 455 entries were added. See McDavid, Jr., "Webster, Mencken and Avis," 125.

- 109 The word "chesterfield" originated in Victorian Britain for a particular brand of stuffed leather sofa and made its way to Canada, where it became a standard term for sofas of any kind. A survey by Walter Avis in 1950 found that 88.8 percent of Canadians used the term. This was no longer the case by the early 1990s, when J.K. Chambers surveyed 935 people in Ontario's Golden Horseshoe region and 80 Americans in the adjoining area of Niagara Falls-Buffalo, New York. Age was the determining factor. Whereas few informants over the age of fifty used "couch," over 80 percent of those under thirty did; see J.K. Chambers, "Social Embedding of Changes in Progress," *Journal of English Linguistics* 26, 1 (March 1998): 5-36 at 7-8. The same pattern of decline can be seen in a handful of other markers of Canadian linguistic identity. Examples cited by Chambers include several hallmarks of Canadian pronunciation such as "Canadian raising" (the difference in how we pronounce wife and wives) and "yod-dropping," which occurs when Canadians abandon the "u" sound in news for the American "nooz" (17-19).
- 110 Chambers, "Canadian Dainty."
- 111 Chambers, "Three Kinds of Standard," 7-8.
- 112 J.K. Chambers, interviewed by Steven High, Toronto, June 2003, audio cassettes in possession of the author.
- 113 Katherine Barber, "Preface," *Canadian Oxford Dictionary* (Don Mills: Oxford University Press, 1998).
- 114 Scargill, "Growth of Canadian English," 7.
- 115 Charles Boberg, "Geolinguistic Diffusion and the U.S.-Canada Border," *Language Variation and Change* 12 (2000): 1-24 at 4.

5

From Liberalism to Nationalism: Peter C. Newman's Discovery of Canada

Robert Wright

In the foreword to his 1973 book *Home Country: People, Places, and Power Politics*, veteran journalist and author Peter C. Newman described his "love affair with Canada" as follows: "Perhaps my real ideological swing has been away from a blind acceptance of the 'small-l' liberalism of the Fifties to a strongly-felt nationalism. In retrospect, it seems to me that liberalism perhaps never really had that much hold on the Canadian consciousness; it was more an American ideal, enshrined within the U.S. constitution and unwittingly imported into Canada during the period when we were entranced with the American dream."¹ As a bestselling author, as a founding member of the Committee for an Independent Canada (CIC), and especially as editor of *Maclean's* magazine, Newman was at the centre of a seismic shift in English Canadians' sense of themselves and their nation in the Trudeau era. His was one of many prominent nationalist voices in Canada in these years, but unlike the Waffle and others on the Left who sought to graft nationalism root-and-branch onto socialism, Newman came directly out of the dominant liberal tradition in Canada and never lost his faith in what he called Canadians' "cautiously progressive, tenaciously pragmatic individualism."² Indeed, even as he was positioning himself as a leading "investment nationalist" in the 1970s and arguing for state regulation of foreign investment in Canada, he continued to write with unbridled enthusiasm about the achievements of the Canadian business elite in enormously popular books like *The Canadian Establishment* (1975).³

The purpose of this chapter is to revisit Peter C. Newman's claim about his transition from liberalism to nationalism in the 1960s not only in the light of his five-decade writing career but also in the context of the resurgence of continentalism as the predominant economic paradigm in post-Free Trade Agreement (FTA) North America and the concomitant rise of neo-liberalism as its ideological handmaiden. Although I have no doubt that Newman understood his own ideological evolution to have been a true metamorphosis, I want to argue that he overstated his "blind acceptance"

of postwar liberalism and, hence, that his transition to a “strongly-felt nationalism” was neither as momentous nor as categorical as he suggested. What emerges from my reading of Newman is not a portrait of a man converted. Rather, I see him as a forceful, complex thinker given not only to bold declarations of conviction but also to careful study and revision, a man open to nuance, ambiguity, and contradiction. In my view, Newman never relinquished his deep, formative commitment to the fundamentals of the postwar liberal consensus in North America, including laissez-faire capitalism, anticommunism, and fiscal conservatism. Thus even at the height of his nationalist piety in the 1970s, he continued to work toward some kind of reconciliation of these two deeply ingrained ideological impulses, however uneasily.

To date, Newman has been of almost no interest to Canadian scholars, except perhaps as a competitor. Several general observations about his work as an author should therefore be ventured at the outset. The first is that Newman has been uncommonly prolific. By my count he had by 2005 written twenty-four books (excluding reprints bearing titles different from the original); his articles and columns, on subjects ranging from business and politics to sailing and jazz, number in the thousands. In 1999 Newman estimated that he had written two million words for *Maclean's* alone.⁴ The second is that he has been extraordinarily successful. In 1995 Newman's lifetime book sales were estimated to be in the range of two million units, making him one of Canada's all-time bestselling nonfiction writers.⁵ The conversion of his books into television fare has been, if anything, even more popular – the CBC's series on *The Canadian Establishment*, for example, was said to have drawn “a staggering 14 million Canadian viewers over three airings.”⁶ The third is that Newman has enjoyed unprecedented access to the rich and powerful in Canada, so much so that some observers have compared “a written profile by Newman” with a Karsh portrait: “it's thought by many subjects to be a testament to their importance.”⁷ The fourth is that he has, in the blunt words of the late Sandra Gwyn, “elevate[d] auto-plagiarism into a modus operandi”⁸ by continually recycling his own prose – an indictment on which he appears never to have commented publicly. The fifth is that he has occasionally incurred the wrath of academics who accuse him of playing “fast and loose” with historical evidence, a charge to which he has replied: “I'm not writing history. I'm just a storyteller.”⁹

Newman's critics have also suggested, some of them in no uncertain terms, that his record of publication has been uneven. There is some truth to this. Particularly with respect to his later works, *The Canadian Revolution* (1995) and *Defining Moments* (1997) most notably,¹⁰ reviewers have accused Newman of patching together books from his vast archive of columns and articles, a technique that “prevent[s] him from saying anything coherent or even consistent about his stated subject.”¹¹ It is probably fair to say that his best work

came at mid-career, in the 1960s and 1970s, and that *Renegade in Power: The Diefenbaker Years* (1963) remains his finest book.¹² But it is also true that as a columnist – not only in those decades, when his name was a household word, but right up to the present – the combination of insight, poignancy, and passion with which Newman has contemplated all things Canadian has been unrivalled. Judged not only by longevity but by perspicacity, his contribution to the “national conversation” in Canada has had few equals, and it will almost certainly never be surpassed.

Brumal Blankness

Peter C. Newman (Peta Karel Neuman) was born in Vienna in 1929 and spent his boyhood in Czechoslovakia, where his father worked as “an industrialist and economic advisor to the government.”¹³ In 1940 his family fled Nazism, an experience Newman has cited as having been formative for himself as a Jew and also as a Canadian patriot. In 1999 he reflected: “Since my family and I landed here, escaping the Nazi terrors of wartime Europe in 1940, the credo that has animated my own life is that Canada happens to be the most fortunate country on Earth. Most Canadians don't subscribe to that notion, preferring to bellyache and curse their destiny. That's wrong. To be a citizen of this country – with all its faults and unrealized potential – imposes an obligation not to take its many freedoms and privileges for granted.”¹⁴ Newman's flight from Nazi-occupied Prague to Canada was without question traumatic. “There was nothing on God's earth worse than being a refugee,” he reflected, “nothing. You are homeless and dispossessed, a target for anybody to shoot at, driftwood without roots or recourse.”¹⁵ Newman has described his family as having endured a dangerous passage through Europe to the port of Biarritz, France, where “wing-mounted [German] machine-guns us[ed] us for target practice.”¹⁶ From there they sailed to England and then directly on to Canada. How much in the way of liquid assets his parents managed to carry with them is not something that Newman has ever discussed publicly. That his father was able to enrol him as a boarder at prestigious Upper Canada College (UCC) in 1944 suggests, however, not only that his family retained a good deal of its former wealth but also that, by virtue of this wealth, their passage as Jewish refugees into wartime Canada was comparatively easy.¹⁷

Newman's critics have commonly asserted that his fascination with Canada's corporate elite began at UCC, but at least one observer has noted that his father had been grooming him since childhood for a career in business.¹⁸ That he went on to the University of Toronto and obtained a master's degree “specializing in economics”¹⁹ suggests that there was far more to his nascent interest in the North American economy than mere infatuation with its leading tycoons – as does the fact that he started his journalistic career at the no-nonsense *Financial Post* in the 1950s. Even so, as Newman

himself has admitted, his first encounters with the scions of what he later called the Canadian "Establishment" were coloured by his own considerable sense of awe. Certainly, the enormous popularity of his books owed more than a little to his gossipy, lifestyles-of-the-rich-and-famous treatment of their lives. ("One of [Bud] McDougald's more relaxing hobbies," Newman would write in *The Canadian Establishment*, "is showing visitors his collection of classic automobiles. The temperature-controlled garages of Green Meadows house thirty cars.")²⁰ As late as 1971, at the height of his conversion to nationalism, Newman was by his own admission so "excited about the possibility of doing an article on E.P. Taylor" that he struck the following bargain: "If he would agree to see me, to discuss both his present preoccupations and his views as to what has been happening in Canada, I can guarantee that we would publish a most favorable story."²¹

The person who almost single-handedly inspired the nationalist movement in postwar Canada was Walter Gordon, a man whose influence on Newman's thinking was both formative and of long duration. Born in 1906 and educated at Upper Canada College and Royal Military College (RMC), Gordon was, by pedigree if not by temperament, an unlikely iconoclast. In 1935 he became a partner in the accounting firm of Clarkson Gordon, and during the Second World War he served in the federal Ministry of Finance, even chairing a little-known 1946 royal commission on the reorganization of the public service. In the mid-1950s Gordon chaired the Royal Commission on Canada's Economic Prospects, which launched his three-decade-long public obsession with what he called "the sell-out of [Canadian] resources and business enterprises to Americans and other enterprising foreigners."²² In 1963 he became Lester Pearson's minister of finance, tabling a budget that included a tax on foreign takeovers of Canadian firms. After enduring the concerted wrath of the business community and a personal dressing-down by Montreal Stock Exchange president Eric Kierans, Gordon withdrew the contentious tax provision, causing himself and the government, as he later put it, "great damage."²³ He resigned from the Cabinet in 1965, only to return as president of the Privy Council in 1967 in order to launch yet another task force on "the foreign investment issue," headed by economist Mel Watkins.²⁴ Gordon left politics for good in 1968, co-founding the nonpartisan CIC two years later.

In the 1960s Newman described Walter Gordon as a man who looked "overprivileged, the very model of an upper-middle-class WASP in pin-striped suit and regimental tie," a characterization with which his later biographers have mostly concurred.²⁵ Aloof, sober, devoid of the kind of media-friendly charisma that might have turned his obsession with foreign investment into a public crusade, Gordon's was indeed a voice that seemed doomed to cry in the wilderness. Newman appears instinctively to have understood that Gordon was a victim of his own staid public persona – perhaps because

he was himself hamstrung by a similar combination of intellectual passion and public reticence. Long-time acquaintances have said of Newman that he has always been "both painfully shy and terribly intense," a man who "rarely managed to be anything but awkward and uncomfortable in the presence of other people."²⁶ There appears to have been more than a little autobiography, then, in Newman's colourful description of Gordon:

He never did conquer the Canadian people, in part because the kind of man he really was tended always to be obscured by the kind of man he seemed to be ... He liked good food, fine wines, paintings, antiques, travel, and the company of his peers. He could be warm and amusing with close friends, but remained an intensely private person who abhorred the little arts of popularity that are the touchstones of politics in western democracies. His language was that of his class – cool, reasonable, passionless. He could never transform himself from an ideologue into a revolutionary and in the conduct of his nationalistic crusades he remained, a sort of Garibaldi without a horse. Even his books, with their revolutionary implications for Canadian society, read like dry texts on bee-keeping.²⁷

Like Walter Gordon, Peter C. Newman would be the gentlest of patriots.

However much Newman's public persona might have had in common with Gordon's, it could never be said that his prose was dry. Indeed, in the late 1950s, when the nationalist strains in Newman's thought were germinating, his florid prose style owed more to the likes of Ayn Rand than to any Canadian accountant. Rand, whose bestselling novel *Atlas Shrugged* took the North American literary world by storm in 1957, openly celebrated the virtues of self-interest, rugged individualism, and laissez-faire capitalism. And she did so in an epic prose style perfectly suited to the hyper-patriotism of the early Cold War era. Newman's first book, *Flame of Power* (1959), venerated in similar language the handful of venture capitalists whose courage, vision, and determination had "made [Canada] the sixth-largest industrial and fourth-greatest trading nation on earth." Theirs, wrote Newman, was a "remarkable achievement": "The businessmen in this book transformed Canada from a community of traders and land tillers into one of the world's economically most animated nations. They changed the history and the face of their country. They raised private armies and overthrew ministries. They stabbed the hump of mine headframes against the brumal blankness of the north. They erected the angular silhouette of factories across the urban twilight."²⁸

The ideological effect of Newman's spirited celebration of Canada's entrepreneurial pioneers in *Flame of Power* was to subordinate nationalism thoroughly and unabashedly to liberalism. He wrote enthusiastically of "national destiny" but only in the context of a capitalist ethos that demanded the

"subjugation" of Canada's vast untapped resources and promised "immense personal rewards" to "those who master the organizational, financial, and technical skills" of the new industrial era. "Before the stirrings of their ambition turned the thoughts of this book's entrepreneurs westward, the Prairies were generally regarded as uninhabitable wilderness," wrote Newman. "The inheritors of financial grandeur in Canada will be the men who first realize, on a sufficiently magnificent scale, that our north can shed a similar stigma, in a taming like that already achieved by Russia." He addressed the question of foreign investment that the *Gordon Report* had flagged just two years earlier, but he did so only tangentially and in such a manner as to temper mounting fears in Canada that American investment signalled a calculated erosion of national sovereignty:

Accompanying our postwar population growth and the resultant burgeoning of business opportunities has come an unprecedented influx of American and other capital, which has given Canada more foreign investment within its borders than any other country in the world ... The Americans have not come here in the tradition of the sixteenth-century conquistadors. In the process of their profit-ferreting, they have underwritten the development risks, reducing from generations to years the time required for Canadians to attain their current standard of living. But if this country hopes to retain long-term control of its economic destiny, Canadian businessmen must recapture at least part of these industrial and mineral assets, reverting the profits they yield to domestic command.²⁹

Here in *Flame of Power* were the first inklings of the ambivalence with which Newman would view US investment in Canada over the next three decades. As a 1950s-era liberal, he maintained that American investment had been critically important to the success of the Canadian economy, but as a budding 1960s-era nationalist, he had to concede that this success had come at the expense of Canadian economic sovereignty.

Renegade in Power

So wedded had Newman become to the heroic narrative style of *Flame of Power* that he adopted it for use in his political writing – a dubious choice of genre given that the subjects close at hand were not devil-may-care mavericks but the "indecisive" John Diefenbaker and the "bland, uninspiring" Lester B. Pearson.³⁰ Like Pierre Berton and so many other popular chroniclers of Canadian history, Newman seemed incapable of resisting the archetype of Canada as a vast northern wilderness to be tamed under entrepreneurial, technological, and political domination. While this schema may have allowed him to lionize the myriad "adventurers" who made his books exciting and accessible, and indeed to make Canada itself seem heroic, it also

accounts for his occasionally patronizing attitude toward ordinary Canadians – "the overwhelming majority of the nation's citizens who never venture farther north than their summer cottages."³¹

These tensions were apparent in Newman's second book, *Renegade in Power: The Diefenbaker Years* (1963), the work that cemented his status as the country's leading political commentator and one of its bestselling authors. *Renegade* has been called "groundbreaking," and to the extent that it "helped to change the way both journalists and ordinary Canadians thought about national leaders," this praise is warranted.³² But there were striking ambiguities in the book, nowhere more so than in Newman's attempt to reconcile his personal affinity for Diefenbaker's nationalist "Vision" with his decidedly liberal critique of the prime minister's policies. Decades later Newman would acknowledge that "many of the failings I ascribed to Diefenbaker should, more fairly, be blamed on the dreadfully difficult situation in which he found himself."³³ Written as it was in the white heat of the moment, however, with Newman literally documenting the day-to-day trajectory of Diefenbaker's political rise and fall between 1957 and 1963, *Renegade in Power* never managed to reconcile the competing claims of inspiration and disillusionment in his estimation of the prime minister. Diefenbaker thus appeared in the book as a delusional figure, a man of great vision hobbled by his own sloganeering, part political opportunist and part false prophet.

There is no question that Newman had, like many Canadians, been inspired by Diefenbaker's nationalist oratory as it took shape in 1957 and 1958. Adopting the epic tone of *Flame of Power*, and even recycling some of its most memorable turns of phrase, *Renegade in Power* captured Diefenbaker's magnetic appeal: "Throughout his 1958 campaign, the Conservative leader expanded and emphasized his Vision. The voters were caught up in the imagined pageant of Diefenbaker's new 'Canada of the NORTH.' To stab the hump of mine headframes against the brumal blankness of the Arctic twilight; to erect lavish plastic bubble settlements in a hinterland that had previously abided silent and inaccessible; to tame the wilderness that had always whispered to the nation's adventurers – these things seemed a noble and compelling mission to mid-twentieth-century Canadians."³⁴ Here, in this earnest, unselfconscious fusion of Diefenbaker's campaign rhetoric with his own romantic idea of the Canadian North, Newman's affinity for the prime minister's nationalist vision was unmistakable. His disappointment was all the more bitter, then, when apart from the occasional symbolic gesture, the prime minister seemed incapable of doing anything "to further the cause of Canadian nationalism" while in power.³⁵ Asked in 1963 why *Renegade* was such an angry book, Newman replied: "Because [Diefenbaker] did such irreparable harm to our economic culture and social future, as Canadians. Because there isn't a country in the world he didn't insult one

way or another. Because somebody has to explain what happened to turn such great expectations into failure."³⁶

When *Renegade in Power* was published, Newman's idea of Canada's "economic culture," if not its "social future," remained decidedly liberal; thus it was Diefenbaker's betrayal of liberalism to which he took the greatest exception. On his economic policies, for example, Newman wrote approvingly of the prime minister's commitment to a "more egalitarian society" but fell in squarely behind those who said that he had violated the laissez-faire ethos of Canadian business: "It became obvious very early in the Diefenbaker years that his was a Conservative government in name only. Instead of moving to promote and strengthen the country's financial community, Diefenbaker rushed in the opposite direction – harassing, curbing, and discouraging free enterprise at every turn. In the privacy of their clubs, dismayed executives clucked their disapproval of Diefenbaker and all his works as a fundamentally disruptive force. The right-wing *Fort Erie Letter Review* condemned Diefenbaker's concept of social justice for being 'as revolutionary as Marxism, but perhaps a better name for it would be Robin Hoodism.'"³⁷ As deeply rooted in postwar North American liberalism was Newman's critique of Tory foreign policy, whose authorship he attributed as much to Howard Green, Diefenbaker's minister of external affairs, as to the prime minister himself. Green's "Kiwanian approach to world problems," wrote Newman sardonically, was the direct result of his naive belief in Canada's "moral superiority" – a view that "exasperated the cynical professionals at the United States State Department." The government's refusal to fall in behind President Kennedy during the Cuban Missile Crisis in October 1962 came in for particularly harsh treatment in *Renegade*. "Severe obstacles were placed in the way of the United States in its attempts to provide effective North American air defence," wrote Newman of Diefenbaker's refusal to allow the US to deploy nuclear-armed planes and missiles in Canada. Such posturing, he concluded, "demonstrated to the Canadian public that the Diefenbaker government's indecision had isolated their country among the Western family of nations in failing to offer immediate moral support for the anti-communist stand of the American President."³⁸

In its tacit defence of "free enterprise," anticommunism, and continental defence imperatives, *Renegade in Power* revealed Newman's continuing commitment to the postwar liberal consensus in North America. The book's unprecedented popularity – it sold 30,000 copies in its first ten weeks in print³⁹ – suggests that it had captured the zeitgeist of the Diefenbaker era, but it was not without its critics. Tory strategist Dalton Camp, for example, a man who would become famous for his role in deposing Diefenbaker, noted that the book had brought "a generous supply of tar and feathers" to its subject.⁴⁰ Without question, however, the most perceptive critic of *Renegade's* liberal bias was George Grant, philosopher, religious studies professor, and

author of the seminal *Lament for a Nation: The Defeat of Canadian Nationalism* (1965).⁴¹ Indeed, if *Renegade in Power* may be said to have had any enduring impact on the national conversation in Canada, it was as *agent provocateur* for Grant and the many 1960s-era left-nationalists who came to accept his contention that Canadian nationalism and liberalism were fundamentally incompatible.

Much might be said about the relationship of *Renegade in Power* to *Lament for a Nation*, but for the purposes of this chapter, two broad observations will suffice. The first is the inescapable inference that Grant must have written the first three of *Lament's* seven chapters with a copy of *Renegade* at his side.⁴² Along with veteran *Maclean's* writer Blair Fraser, "Peter Newman" was the only person named explicitly in *Lament* as a "journalist of the establishment" – that is, as one who disparaged Diefenbaker's attempts to assert Canadian autonomy and "rejoice[d] that we have back in office the party of the ruling class," the Liberals.⁴³ Indeed, Grant's wholesale indictment of the manner in which Canadian journalists eviscerated the prime minister appears to have derived almost entirely from his reading of Newman:

The "news" now functions to legitimize power, not to convey information. The politics of personalities helps the legitimizers to divert attention from issues that might upset the *status quo*. Huntley and Brinkley are basic to the American way of life. Canadian journalists worked this way in the election of 1963. Their purposes were better served by writing of Diefenbaker's "indecision," of Diefenbaker's "arrogance," of Diefenbaker's "ambition," than by writing about American-Canadian relations. Indeed, his personality was good copy ... But behind all the stories of arrogance and indecision, there are conflicts – conflicts over principles. The man had a conception of Canada that threatened the dominant classes.⁴⁴

The second observation is that, although Grant stressed the British character of English Canadian nationalism in *Lament for a Nation*, he believed that the only practical means of challenging continental liberalism was to push nationalism decidedly to the left. Echoing Walter Gordon, although taking a decidedly more radical approach to the repatriation of the Canadian economy, Grant wrote:

[Diefenbaker] did not accomplish the work of economic nationalism. The "northern vision" was a pleasant extra, but no substitute for national survival. During his years in office, American control grew at a quickening rate. This was the crucial issue in 1957. If Canada was to survive, the cornerstone of its existence was the Great Lakes region. The population in that area was rushing toward cultural and economic integration with the United States. Any hope for a Canadian nation demanded some reversal of the

process, and this could only be achieved through concentrated use of Ottawa's planning and control. After 1940, nationalism had to go hand in hand with some measure of socialism. Only nationalism could provide the political incentive for planning; only planning could restrain the victory of continentalism.⁴⁵

Grant's assertion of a left-nationalist ideal for Canadian economic development would emerge in the late 1960s as a *sine qua non* in a broad debate within the ranks of English Canadian nationalists. On the democratic left, and especially within the Waffle wing of the NDP, *Lament for a Nation* would become something of a sacred text, James Laxer calling it "the most important book I ever read in my life."⁴⁶ For other leading nationalists, however, including Walter Gordon and Peter C. Newman, it was precisely *Lament's* challenge to liberalism that would place it beyond the pale.

Remarkably, there is nothing in the public record to suggest that Newman ever read *Lament for a Nation* or acknowledged Grant's accusation that he served as a spokesperson for the Canadian "ruling class."⁴⁷ There is no question, however, that his evolution as a nationalist in the mid-1960s took shape alongside Canadians' changing sense of themselves and their country in these years, a movement that George Grant did a great deal to inspire. Like other leading members of the English Canadian intelligentsia, Newman embraced the "new Nationalism" in these years, becoming one of the "new voices call[ing] for increased sovereignty in economics and culture while popularizing Canadian cultural products and an awareness of Canadiana."⁴⁸ By 1968, when his third book, *The Distemper of Our Times*, was published, Newman had evolved from a lukewarm supporter of Walter Gordon to one of his greatest public defenders, emerging as a leading force for economic repatriation in his own right; he had abandoned his unquestioning acceptance of continental defence priorities, a trend that would come to full bloom in the early 1970s, when he became one of Canada's most outspoken critics of the Vietnam War; he had hardened his opposition to continental free trade; and he had become a supporter not only of state subsidies in the realm of culture but also of state regulation of commercial mass media. Most dramatically of all, he had reconceptualized his idea of liberalism itself, questioning what he called "the old Ottawa Establishment credo that governments should limit their function to economic justice and that the duty of the responsible man in public life was to exercise a restraining influence on political risk-taking."⁴⁹

Integrating Ourselves into the US Industrial Machine

The forum in which Newman evinced this intellectual transition in the years between *Renegade in Power* and *The Distemper of Our Times* was his weekly column in the *Toronto Star*. He became the *Star's* Ottawa editor in

July 1964, at the height of his fame as author of *Renegade*, having served in the same capacity at *Maclean's* since 1957. The decision to join the *Star* was itself a measure of his shifting sensibilities, given that it was then under the stewardship of editor-in-chief (and later publisher) Beland Honderich, a leading Canadian nationalist in his own right. The tone and substance of Newman's published work in these years was still that of a perspicacious Ottawa insider, one who enjoyed privileged (probably unequalled) access to politicians and civil servants as well as a reputation for discretion. He had not yet assumed the role of nationalist spokesperson, a shift that would be cemented only after his move in 1971 back to *Maclean's*. Yet by the time he left the *Star*, what he later described as his "ideological swing" from "the 'small-l' liberalism of the Fifties to a strongly-felt nationalism" was complete. Nothing in the decades that followed – not even the free trade debate of the late 1980s or the globalization debate of the 1990s – would alter his position substantively.

Newman's continuing struggle to balance the claims of liberalism and nationalism was most evident in his ambivalence about the changing international trade environment in which Canada found itself in the 1960s. This was the true era of globalization. The liberalization of international trade and especially the transnationalization of capital were together testing the ability of nation-states to manage their economies, inexorably accelerating the integration of small countries like Canada into larger regional trading blocs. One of the most significant watersheds in this broader trend was the signing of the Canada-US Automotive Products Agreement in 1965. The Auto Pact, as it became known, took the form of a bilateral trade agreement covering passenger cars, trucks, buses, and automotive parts. Under its terms, North American automakers agreed to maintain a fixed production-to-sales ratio in Canada as well as a fixed proportion of value-added "Canadian content." The advantage to Canada of a continentally integrated auto industry, it was argued, would be more efficient production, guaranteed access to well-paying jobs in the auto sector, and lower car prices for consumers; the cost would be the cementing of Canada's status as a subsidiary of the US auto industry, complete with the permanent loss of corporate control and a diminished role in research and development.

The Auto Pact in its final form was an example not of free trade, as many of its later detractors and defenders would claim, but of regulated trade. Peter C. Newman was one observer who understood this crucial distinction. He knew the central importance of the auto industry to the Canadian economy and to the prosperity of thousands of ordinary Canadians; indeed, he found much to praise in the prospect of expanded trade and guaranteed access to the lucrative US market, a point that he made regularly in the *Star*. Yet in the autumn of 1964, when Canadian and American trade officials were known to be negotiating a new deal in the auto sector – "desperately"

and behind closed doors – it was rumoured that even the top ministers in the Pearson government were indicating a willingness to abandon Canada's historic protectionism if this was the price of guaranteed access to the US auto market. Newman recognized the historical import of this possibility. Writing in October 1964, he reminded Canadians that the tariff had been the historic guarantor of Canadian autonomy: "The free-trade scheme in automobiles and their parts would channel this important commerce into a north-south direction, and when applied to other trade items, could destroy the east-west backbone of Canada's economy, first fostered by the building of the CPR and Sir John A. Macdonald's National Policy. The new plan's continental approach jettisons the traditional argument that tariffs are the price Canadians must pay for their independence." Newman's inside sources were telling him at this time that "executives of Canadian automobile concerns" were being called to Ottawa for "secret briefings." This fact alone, he argued, cast doubt on whether the Canadian negotiators had a clear sense of the national interest. "The men who speak for the car firms are not really manufacturers representing Canadian interests, but merely the Canadian chiefs of American corporations," he wrote. "Even if they wanted to, they couldn't agree to any scheme which would hurt or even embarrass their parent firms." Newman signed off with an ominous warning: "The outcome of the current automobile talks will do more than set the pattern of our future trade relations with the U.S. It will test the government's determination to guard the remainder of our vanishing economic sovereignty."⁵⁰

How committed Newman himself was to "the traditional argument that tariffs are the price Canadians must pay for their independence" is not clear. Although he deployed the historic language of the National Policy to sensational effect when it came to the Auto Pact, elsewhere Newman argued that freer trade in general – and the reduction of tariffs in particular – would be good for Canada. What can be said for certain is that his litmus test for federal economic policy was increasingly that of the investment nationalist: the question was not one of tariff policy per se but of whether this or that measure fostered Canadian economic and especially political sovereignty. On the Auto Pact, the case was clear: it was bad for Canada because it irrevocably subordinated Canadian manufacturers to their American overseers. On other clear-cut cases of what he called US "interference" in Canadian economic life, Newman was equally firm. He emerged as one of Canada's harshest critics of the American Trading with the Enemy Act in the 1960s, for example, and he regularly criticized US officials who attempted to curtail Canadian trade with Cuba and China by invoking extraterritoriality clauses in US trade statutes.⁵¹ Most strikingly of all, whether the federal minister of finance was worth his salt now boiled down to the question of whether he had the fortitude to stand up to Washington. Commenting in

January 1965 on Mitchell Sharp's first major policy address as minister of finance, Newman wrote bluntly that the new minister seemed weak-willed: "The Sharp speech, significant as it was, failed to answer one question: Does he intend to carry on or drop complete [sic] the economic nationalism of his predecessor? The issue is dismissed with one perfunctory phrase: 'Canadians should finance more of Canada's economic development themselves.' This sounds suspiciously like the kind of limp lip-service that finance ministers who preceded [Walter] Gordon paid to the idea of Canadian economic nationalism, without ever actually intending to follow it up with policies."⁵² Newman was thrilled when, one year later, Sharp "exploded" at Securities and Exchange Commission (SEC) chairman Manuel Cohen for nonchalantly remarking that US investment law should apply equally to Canadians and Americans.⁵³

Yet when it came to Canada's trade relations generally, Newman remained ever the laissez-faire liberal, embracing freer trade, increased international competition, and lower tariffs. To cite but one important example, in May 1967 Newman devoted several *Star* columns to the "Kennedy round" of negotiations of the General Agreement on Tariffs and Trade (GATT) then taking place in Geneva. He wrote with enthusiasm about the fact that, although the talks mainly concerned Europe and the United States, they might have "momentous implications for Canada, dislocating our traditional industrial patterns, changing the character and quantity of both our imports and exports, and possibly launching us into a period of intensive manufacturing expansion which could become the basis for another economic boom." Newman's sources were reporting from the "secret talks" that tariff reductions in the range of 25 to 35 percent seemed likely. "Even this limited success could have a large impact on Canadian manufacturers and producers of raw and semi-processed materials," he wrote. "It would gain for them much freer entry not only to the rich market of the United States but as an added bonanza, easier access to the 250 million affluent consumers of the European Common Market Countries." Newman acknowledged that some sectors of the Canadian economy would be adversely affected by tariff reductions on this scale, and he insisted that "the most severely hit areas" should be targeted for federal "transitional assistance programs."⁵⁴ Otherwise, he approved of the proposed reductions unequivocally.

The most telling aspect of Newman's assessment of the 1967 GATT talks was his sense of the advantage that they might provide Canada in asserting economic autonomy vis-à-vis the United States. Indeed, this was one instance in which the competing claims of liberalism and nationalism appear to have catalyzed a new intensity in his own ideological soul-searching. The Kennedy round, Newman told his *Star* readers, represented "a constructive solution to the trading dilemma" into which Canada had been drifting for a decade. This was because "our economy has tended to become increasingly

isolated in a world rearranging itself into powerful trading groups such as the European Common Market. Instead of being able to enjoy the advantages of large-scale production and mass distribution which come with membership in such blocs, most Canadian manufacturers have been hemmed into the small domestic consumer market of 20 million people spread over an immense geography." In stark contrast with his assessment of the *bilateral* Auto Pact, which threatened to sunder the historic linkage of Canadian economic protectionism and national sovereignty, here in the context of liberalizing *global* trade the tariff merely "hemmed" Canadians in. Clearly, Newman was now gravitating toward the view that trade liberalization was desirable for Canada only insofar as it strengthened the country's ability to resist economic domination by the United States. The ideological effect of this shift was to subordinate liberalism to nationalism:

It is only the Kennedy round – with its multilateral lowering of tariffs – which can provide us with an acceptable compromise between the extremes of becoming a closed, inward-looking economy or having to form a trading block of our own with the United States. Most politicians and economists who have studied these alternatives view them both with alarm. With our standard of living already about twenty-five per cent below that of the United States, any move to isolate our economy (and thus inevitably depress the standard of living) would almost certainly prompt a mass exodus of Canadians to better-paying jobs south of the border. The formation of a free trade area with the United States might have equally drastic, though quite different, effects.

Newman concluded his reflections on the GATT with his now-standard warning: "By integrating ourselves into the U.S. industrial machine in what would, by definition, be an unequal partnership, we would also be hazarding our freedom of political action."⁵⁵

The Distemper of Our Times

By 1967, fully a decade after the *Gordon Report* had been tabled, the debate about foreign investment in Canada had moved from the margins of the national conversation to centre stage. Walter Gordon's was no longer the only voice trumpeting the cause of economic sovereignty, nor were his ideas necessarily any longer in ascendance. As historian Stephen Azzi has shown, Gordon's insistence on the preservation of the tariff was being challenged throughout the ranks of investment nationalists, presaging his increasingly "extreme" views on foreign ownership in the 1970s.⁵⁶ For Newman, Gordon remained a touchstone for his own deepening nationalist convictions and would continue to serve as one of his most valuable allies in the era of the CIO. But it was Eric Kierans, a relatively new convert to the nationalist cause

– the same Eric Kierans who had so publicly chastised Walter Gordon over his 1963 budget – who provided Newman with an ideological roadmap that was compatible with his deeply liberal leanings.

Kierans had the kind of intellectual, business, and political pedigree to which Newman has always been attracted. He had been director of the McGill School of Commerce and president of the Montreal Stock Exchange. In the mid-1960s, when he made his greatest impression on Newman, he was serving in Jean Lesage's "Quiet Revolution" Cabinet as minister of revenue (1963-65) and health (1965-66). (Between 1968 and 1971 he would serve as a minister in the Trudeau government, after having tried unsuccessfully for the leadership of the federal Liberal Party.) On the evening of 3 January 1966, as he himself later put it, Kierans "stayed up all night ... to figure out how I could start a national debate" on Canada's new bilateral balance-of-payments agreement with the United States. Having studied the minutiae of the new investment guidelines, he concluded that they represented "the greatest threat to Canadian independence since the War of 1812" because they allowed Washington to limit the terms and extent of US investment abroad. To the consternation of a number of Canadian officials, Kierans then proceeded to write scathing letters of protest directly to US secretary of commerce John Conner and secretary of the treasury Henry Fowler, later telling journalists: "This [agreement] poses serious problems for Canada. We are no longer dealing with the disparate and independent decisions of thousands of businessmen, but with hard government policy."⁵⁷

Newman knew that he had found his nationalist muse in Eric Kierans but not because the minister had pilloried US officials with such abandon. Indeed, Newman seemed taken aback by his incorrigibility. "The Kierans' [sic] initiative may have been crude," Newman wrote. "It certainly was undiplomatic, and it's doubtful if it will have much lasting effect." What did strike Newman forcefully was that Kierans appeared to have found a way around the dilemma that Walter Gordon had posed for investment nationalists like himself. In a passage that speaks volumes about his own ideological evolution, Newman wrote: "It's important to distinguish the Kierans' [sic] approach from Walter Gordon's past attempts to force American firms to yield Canadians minority equity interests. Gordon was concerned with Canadian ownership; Kierans is concerned with Canadian sovereignty. He doesn't care how much of Canada the Americans own, as long as they don't try to run it."⁵⁸ The clarity with which Kierans had staked out his position as a liberal-nationalist struck Newman as something of an epiphany. Although Newman would never go so far as to say that it did not matter how much of the Canadian economy Americans owned, the minister's position appeared to demonstrate that one could defend laissez-faire principles and be no less a patriot. "Kierans comes out squarely against socialism," Newman wrote sympathetically, because, as the minister himself put it, "socialism is the last

hope of societies that do not respond to change or are not concerned with the welfare of their citizens."⁵⁹ In Newman's estimation, moreover, Kierans was "one of those rare Canadian politicians who is a convincing and convinced nationalist without being anti-American."⁶⁰ After January 1966 Newman seldom missed an opportunity to promote Kierans' views.

In the 1970s Newman would often be asked, as one open-line radio caller put it, "Well, tell us, Mr. Smart-Apple Newman, why are you so anti-American? Eh?"⁶¹ He always replied that his "love" for Canada did not imply anti-Americanism. Yet, as he himself intimated in the foreword to *Home Country*, and as George Grant's *Lament for a Nation* had demonstrated even more forcefully, in Canada virtually any critique of liberalism could be read in some measure as a critique of the United States. The postwar liberal consensus to which most Canadians and Americans had subscribed, Newman foremost among them, assumed a convergence of national economic and strategic interests that was simply taken for granted. This was the ideological import of Canadians' preference for John F. Kennedy over John Diefenbaker in the wake of the Cuban Missile Crisis. By the tumultuous late 1960s, however, when the New Left, the youth counterculture, feminism, the civil rights movement, the "ecology" movement, and especially the antiwar movement had shattered the liberal consensus even within the United States, little remained of its continental counterpart. For Newman and for the growing ranks of Canadian nationalists in the Centennial era, too intimate an economic integration of Canada with the United States inferred a loss of political autonomy; and given the contentious direction in which American policy seemed to be headed, especially US foreign and defence policy, the need to preserve Canada's political independence never seemed more urgent.⁶²

Newman's protestations against his presumed anti-Americanism notwithstanding, by the mid-1960s his weekly *Star* column had begun the metamorphosis from straight reportage to openly nationalist advocacy that would reach its apotheosis at *Maclean's*. To cite but one important – and prescient – example, in the spring of 1967 he wrote a lengthy, three-part analysis of the stakes for Canada should it decide to renew the North American Aerospace Defense Command (NORAD) agreement, inaugurated a decade earlier. Newman's editorial position on the changing nature of continental defence in the era of the intercontinental ballistic missile (ICBM) was set out clearly and in uncharacteristically strong language: "If negotiations now under way commit this country to another 10 year term as a partner in the North American Defence Command, we could become involuntary participants in the costliest and kookiest armaments race in history. Should the Americans and Russians decide to proceed with their anti-ballistic missile installations, our NORAD partnership would involve Canada in the outlandish business of trying to stop enemy missiles hurtling down from outer space."⁶³

Newman objected in particular to the "anti-ballistic missile network" that had been proposed as part of NORAD since any conceivable scenario for its use would mean that "much of World War III would be fought in the upper atmosphere over Canada, and we would get most of the fallout." Citing US Defence Department statistics on the "obvious" superiority of US nuclear forces over those of the Soviets, he noted sardonically that "efforts by American scientists to find some counter-weapon to the Soviet missiles have reached Buck Rogers proportions."⁶⁴ In the final installment of the series, Newman turned to the underlying politics of the defence partnership. He acknowledged not only that pulling Canada out of NORAD was virtually impossible but also that "specifically opting out of any future anti-ballistic missile network" – presumably the policy that he would himself have preferred – had been dismissed by the Canadian military as impractical. Such intractability, he surmised, was a function not merely of Cold War strategy but also of economic self-preservation. The American military had spent \$5 billion in Canada since the Second World War, and they continued to spend in the range of \$300 million annually. This gave the Americans "great leverage" over Canada, Newman conceded. "The Pentagon had broadly hinted that it would abandon the special concessions we now enjoy under the defence sharing agreement, unless we remain loyal members of NORAD."⁶⁵

The most suggestive element in Newman's *Star* series on continental defence policy, however, was the headline of the second installment: "Suddenly McNamara's a Dove." Just in case his readers missed the allusion, he spelled it out: "It's a paradox of the growing debate over anti-ballistic missiles that the chief American 'dove' is none other than Robert McNamara, the US secretary of defence whom Canadians have come to regard as one of the great 'hawks' of the Viet Nam [sic] war."⁶⁶ By 1967 Vietnam had become the catalyst for virtually all Canadian nationalists' disaffection with the United States. Newman would later observe, quite correctly, that "it was the Vietnamization of the United States that finally brought about the Canadianization of Canada. It jolted us out of our bemusement with the external aspects of the American Dream."⁶⁷

Many Canadian observers, especially in the universities, expressed their revulsion for the Vietnam War in no uncertain terms; but within the ranks of the Liberal Cabinet, where caution had been the watchword since Lester Pearson's controversial Temple University speech in 1965, only Walter Gordon had the temerity to speak out openly against American aggression. Speaking in May 1967 at a women's conference, Gordon delivered one of the most controversial speeches of his career. The Vietnam War, he said, "cannot be justified on either moral or strategic grounds." Further, "it might not be any worse for the Vietnamese to be allowed to fight things out among themselves than it is to be bombed, burned and exterminated by a foreign power." Gordon concluded the speech by noting that the conflict held "grave

dangers" for Canada, especially if it should escalate into a war between the superpowers. He explicitly urged "Mr. Pearson and Mr. [Paul] Martin ... to do everything in their power to press the Americans to stop the bombing."⁶⁸

Newman described Gordon's speech several days later in almost breathless superlatives. "There's never been a Canadian politician like him," he wrote. "Gordon is one of those rare men who can genuinely claim to be a pivotal figure in the contemporary history of his country." Newman observed that the minister's remarks had come at a particularly sensitive time because "Canada's vaunted status as an impartial mediator" had just been undermined by revelations that Canadian personnel on the International Control Commission (ICC) had been acting as "observers to the Americans." This theme – that Canada's role in Vietnam was to serve as "an American messenger boy" – was one to which Newman would return repeatedly as his revulsion for the conflict increased.⁶⁹ For having the courage to defy his Cabinet colleagues and openly state his deepest convictions, Newman offered Gordon the highest of praise: "These are exciting times and it is rebels like Walter Gordon who are the vehicles of change." Thereafter, Newman adopted intact Gordon's critique of Canada's policy on Vietnam, parlaying it into a full-scale indictment of the Canadian tradition of "quiet" diplomacy. "We have been trying to balance a sort of Dale Carnegie approach to world problems with explicit acknowledgment of the fact that we're tied to Washington even in the most minute details of our every initiative," he wrote in late May 1967. "It is high time that we defined our national interest and expressed it in our dealings with other countries."⁷⁰ By March 1972 Newman would be advocating nothing less than a wholesale purge of the diplomatic corps in Canada: "Let's superannuate all those External [Affairs] buddies and start recruiting some diplomatic jocks of our own to deal with the Americans."⁷¹

In 1968 Newman's third book, *The Distemper of Our Times*, was published, in some ways marking the terminus of the intellectual journey that he had begun a decade earlier. *Distemper* borrowed heavily from his work as a *Star* columnist in the five years since *Renegade in Power* had come out. Apropos of its title, it evinced the increasing disquiet that had characterized both Canada and Newman himself in the Centennial era. He claimed in the preface that unlike the period 1957 to 1963, when Canadian politics was "the story of what happened to one gigantic figure, John Diefenbaker," the Pearson years were "dominated by a tumble of events."⁷² But this shift in emphasis, from personalities to issues, had less to do with the contours of federal politics than with Newman's evolution as a writer and thinker. Indeed, his characterization in *Distemper* of the ideological struggles confronting Pearson, his Cabinet, and the country at large was transparently autobiographical. The prime minister had "epitomized the quantitative small-l liberalism that dominated the thinking of his Ottawa contemporaries," Newman wrote,

but was incapable of making the transition to the "qualitative liberalism that would emerge as an important force during the mid Sixties." As for Canada, it too had foundered: "Lacking the unity of purpose that allows a people to think together on fundamental issues, Canadians became citizens of a country that seemed no longer to believe in itself." Not surprisingly, Walter Gordon emerged as the tragic hero of *Distemper*, a nationalist visionary who had nonetheless also failed to "reconcile the two main strains of Canadian Liberalism: the party's concern over social reform and its barely suppressed desire for economic integration with the United States." Despite his best efforts to reduce foreign investment, Gordon had failed to prevail over Pearson's "firm anti-nationalist" convictions, and he had never been able to persuade "the cabinet's right-wing ministers" that he was anything other than a "tab-collar Castro."⁷³

Yet for all of its lamentation, *The Distemper of Our Times* ended on a high note, one that illuminated the ideological denouement at which Newman himself had finally arrived. Walter Gordon may have failed in his patriotic quest, but Canada had not: "The nationalistic fervour that Walter Gordon had never personally been able to stir in Canadians erupted of its own accord during celebrations marking the 1967 centennial year. It was a brief shimmering season in the long wash of history, a mass rite that managed to expose the latent patriotism in even the most cynical Canadians, leaving them a little embarrassed at their sentiment, a little surprised by their tears. It was a wild, happy, crazy year." Like the many visitors who had trekked to Montreal for Expo 67, Peter C. Newman had come to believe "that if this little sub-arctic, self-obsessed country could put on this marvelous show, it could do anything."⁷⁴

Conclusion

Arguably, by 1968 – and certainly no later than 1970 – the intellectual journey that had informed Peter C. Newman's self-proclaimed metamorphosis from a 1950s-era liberal into a 1960s-era nationalist was more or less complete. At the risk of overgeneralizing about the three decades' worth of public commentary that he subsequently produced, it is apparent that although his writing became more polemical and his advocacy more broadly based, Newman's sometimes uneasy reconciliation of liberalism and nationalism would undergo no further radicalization nor any significant revision. Even in the 1990s, the decade in which laissez-faire liberalism returned to hegemony in Canada and throughout the industrialized world, Newman did not recant. The irony could not have been lost on him: in the 1960s he was too liberal for the nationalists, George Grant branding him a puppet of the Liberal "establishment"; yet in the 1990s he was far too nationalist for the neo-liberals. It is telling that a 1998 *Canadian Business* profile of Newman was entitled "The Last Patriot."

Newman's elevation to nationalist spokesperson coincided with his co-founding of the Committee for an Independent Canada and his move from the *Toronto Star* back to *Maclean's*. The CIC was launched in September 1970 as a "moderate" citizens' committee, one that explicitly rejected "the radical solutions called for by the left wing of the NDP," as co-founder Walter Gordon put it.⁷⁶ Not surprisingly, Newman sought to impart to the CIC a liberal-reformist ethos. As he had told a group of Toronto high school students the previous spring, "the failure of the Canadian free enterprise system to maintain our economic independence is not in itself proof that large-scale nationalization is the only alternative."⁷⁷ Boasting 250,000 members at its peak, the CIC urged the Trudeau Liberals to create a Canadian development corporation as well as an agency to regulate foreign investment in Canada. It also lobbied for state protectionism in the realm of culture, something about which Newman would remain especially passionate. "If Americans play a dominant role in our information media, in television and radio, in record stores, bookstands and movie houses," he told a group of marketing executives in 1971, "we will forget who we are and why we are here."⁷⁸ Assuming the post of editor at *Maclean's* the same year, Newman announced that he would "renew and embellish" the magazine's commitment to providing Canada with "a platform that allows the nation to speak to itself."⁷⁹ "The Americans are in the process of taking us over not because they want to be our conquerors but because we want to surrender," he wrote. "It's that terrible ingrained uncertainty in us, the absence of knowing who we are and why we are here, that is gradually depriving us of our nationhood. And it's that uncertainty that we must dispel."⁸⁰ Newman's transition from observer to provocateur in the great debate on "Canada's survival" was complete.

Having entered the fray in a period of unprecedented nationalist euphoria – the heady days of Expo 67 and Trudeaumania – it was perhaps inevitable that Newman would become disillusioned with the struggle for Canadian independence over the longer run. After the 1976 electoral victory of the Parti Québécois, Newman was still urging that a "new style of nationalism would promote in a thoughtful manner the many practical advantages of Canada's continued existence." He read the separatist threat as a vindication of his own view of the national condition, namely that the "Canadian identity" is "fragile" and in constant need of affirmation. But he also spoke of the "fruitless and sometimes tedious" burden of being a nationalist: "Before [René] Lévesque and his determined disciples took power it was fashionable to take Canada for granted and the few thoughtful men and women who worried about our future were regarded with a kind of benign ridicule, like television preachers or men who devote their lives to collecting rare butterflies."⁸¹ The bitter truth, of course, as events in the 1980s and 1990s would prove, was that Newman and his ilk were already on the wrong side of

history. Despite their best efforts, and despite their relatively modest successes in reversing foreign ownership of the Canadian economy, the nationalists would lose the free trade election of 1988 and fail even to raise the ensuing North American Free Trade Agreement (NAFTA) negotiations to the level of a serious national debate.⁸² In 2002, by which time the number of Canadians "adamantly opposed" to greater economic integration with the US had dropped to a meagre 5 percent, Newman was still fighting the old fight: "In a sequence of well-timed trial balloons, senior mandarins and cabinet ministers have floated the notion that the Canadian economy be transformed into what would amount to a branch plant of the American dream factory."⁸³

How Newman became Canada's leading chronicler of the rich and powerful in the years when he was also one of the country's leading nationalists remains something of a riddle. Without question, he was enamoured of the country's corporate elite and ultimately became one of its most beguiling apologists. Yet, as he acknowledged as early as 1968, Canadian capitalists thought economic nationalism anathema. Walter Gordon's "very name produced a flush of anger in most businessmen," he wrote in *Distemper of Our Times*, "who privately went beyond the socialist label and seriously debated among themselves whether he might not be 'some kind of Commie nut.'"⁸⁴ In late 1971 *Maclean's* published a lengthy question-and-answer-styled interview between Newman and media baron Roy Thomson, in which the latter mused, without irony or qualification: "It's inevitable that Canada will gravitate in the direction of a closer partnership with the U.S. My guess would be that we'll probably become one country some years hence – not yet. I think it would be a good thing. It will mean a better standard of living for the people. We're just a carbon copy of America. When people talk about developing a Canadian culture, I can't see that Canadian culture is any different to American."⁸⁵ How to account for these extraordinary cross-currents in Newman's thought?

There appear to be at least three components to this paradox, but admittedly they remain speculative. The first is that despite his claims to the contrary, Newman never made a clean break with liberalism, even at the height of his conversion to nationalism. He has remained a life-long fiscal conservative, for example, insisting on manageable public deficits, cautious investments in the welfare state, and aggressive measures to combat inflation. He articulated this conservatism succinctly in 1967 and has seldom strayed from it since: "The real problem is that governments have tried to do too much at one time. This has partly been due to the opportunism which has made politicians believe they can spend their way into power. Unfortunately, the politicians have not been able to discover or articulate any definable set of national goals, beyond the vague feeling that they should try to make all Canadians prosperous and happy. That's a laudable notion,

but it's not precise enough to inspire any set of priorities in the nation's spending patterns."⁸⁶ Moreover, Newman's nationalist mentors were not the socialists of the *Waffle* or *Canadian Dimension* (a famous social-democratic/labour-sympathetic magazine) but men of business like Walter Gordon and especially Eric Kierans, neither of whom would ever come close to sanctioning extensive state ownership of the Canadian economy. Even with some of his closest allies in the cause of reducing foreign investment in Canada – Mel Watkins, for example – Newman agreed to disagree, openly stating his preference for regulation over nationalization. He could never embrace George Grant's dictum that in the Canadian context nationalism and liberalism were incompatible; and given his intimate familiarity with the Canadian corporate elite, he could never accede to Grant's most famous generalization: that "the wealthy lost nothing essential to the principle of their lives in losing their country."⁸⁷

The second element in the paradox follows from the first. Not only was Newman outside the increasingly left-leaning trajectory of mainstream English Canadian nationalism in the 1970s, but as a writer and thinker he refused to embrace any sort of class analysis in his efforts to theorize his own liberal and nationalist inclinations. Nothing in the public record suggests that Newman ever read Philip Resnick's seminal *The Land of Cain* (1977), for example, or grappled with its thesis that it was the "new petty bourgeoisie" who played "the decisive role in the eruption of English-Canadian nationalism after 1965."⁸⁸ Indeed, Newman seldom acknowledged anywhere in his political or business writing that nationalism was an ideology, at least in the sense that it could be deployed in the interests of certain social groups in their struggles to attain material advantages over others. Nationalism, as Newman understood it, was good for all Canadians – a position that obviously implied his satisfaction with the socio-economic status quo in Canada.

The third element is perhaps the most obvious. George Grant was correct in *Lament for a Nation*: Newman is indeed a "journalist of the establishment." By virtue of his inherited wealth, his privileged education, and his meteoric rise to the highest echelons of Canadian print media, Newman has quite naturally taken his place within the elite strata of Canadian society. As editor of *Maclean's*, one observer noted, he was "the most gossiped-about person in the business."⁸⁹ Indeed, at the height of his fame in the 1970s, it was news any time he appeared at an art auction or bought a new yacht. Newman was fascinated by power, even as he wielded it. Yet, much to his credit, he has never become hidebound in the defence of his own social class – unlike, say, a Conrad Black – and even more important, he has regularly skewered its conventional wisdom. To cite but one important example, in 1996 Newman rose to the defence of Canadian liberalism against the onslaught of "neo-con commentators" like David Frum and Andrew Coyne:

According to [their] narrow way of thinking ... Canada's political life ought to be governed by an ideology that holds that everything has a price, that everyone is for sale to the highest bidder and that humanity's highest achievement is to balance your budget – personally, corporately and nationally. Under that harsh protocol, the idea of Canada is reduced to a flag of convenience, to be used or discarded like a moth-eaten T-shirt ... Unlike this reactionary creed, liberalism is mushy and ill-defined, a feeling more than a doctrine, the notion that despite individual strains and weaknesses, people are inherently equal, possessed by the right to pursue their dreams and that the state has a continuing obligation to help the needier among them along the way.⁹⁰

In 1973, not for the last time, Newman waxed nostalgic about his adopted homeland. "During this past most beautiful of summers, on holidays and weekends, I drove with my family across Manitoba and down through the small settlements of southern Saskatchewan, and sailed into various rusty lake ports of eastern Ontario," he told his *Maclean's* readers. "It was a journey I'll always remember as the time when I stopped worrying about the Canadian identity and began to enjoy it."⁹¹

No such luck. Peter C. Newman has never stopped worrying about this "daily miracle of a country."⁹²

Notes

1. Peter C. Newman, *Home Country: People, Places and Power Politics* (Toronto: McClelland and Stewart, 1973), 21-22.
2. *Ibid.*, 21-22.
3. Peter C. Newman, *The Canadian Establishment* (Toronto: McClelland and Stewart, 1975). "Investment nationalism" is Sylvia Bashevkin's term; see her *True Patriot Love: The Politics of Canadian Nationalism* (Toronto: Oxford University Press, 1991).
4. Peter C. Newman, "Au Revoir but Not Goodbye," *Maclean's*, 7 June 1999, 60.
5. Jansen Tillson, "The Last Patriot," *Canadian Business*, July 1995, 26-30.
6. *Ibid.*, 28.
7. *Ibid.*, 29.
8. Sandra Gwyn, "Recycling Peter Newman," *Globe and Mail*, 14 November 1998.
9. Peter C. Newman, quoted in Tillson, "Last Patriot," 29.
10. Peter C. Newman, *The Canadian Revolution* (Toronto: Viking, 1995); Peter C. Newman, *Defining Moments* (Toronto: Viking, 1997).
11. Ian Malcolm, "Defining Moments: Dispatches from an Unfinished Revolution," *Quill & Quire*, October 1997, 27.
12. Peter C. Newman, *Renegade in Power: The Diefenbaker Years* (1963; reprint, Toronto: McClelland and Stewart, 1989).
13. "Newman," *Toronto Star*, 18 January 1969, 4.
14. Newman, "Au Revoir," 60.
15. Peter C. Newman, "Horrible Reminders of My Days as a Refugee," *Maclean's*, 19 April 1999, 52.
16. *Ibid.*
17. Irving Abella and Harold Troper describe the attitude of Canadian Immigration Branch officials toward European Jews as implacable by the summer of 1940. To the profound consternation of the Jewish community and the Anti-Society, for example, even "transitory rights for

- most European refugees" had been "peremptorily cancelled" by Ottawa, confirming the general rule that "Canada was determined to barricade herself against all refugees." Abella and Troper recount how three Polish Jews who had made it to France were denied entry to Canada in December 1939, even though they had "combined capital of \$120,000." This evidence suggests that successful Jewish entrants to Canada in the early years of the Second World War, including Newman's family, managed to flee Europe only if they possessed substantial (liquid) wealth. See Irving Abella and Harold Troper, *None Is Too Many* (Toronto: Lester and Orpen Dennys, 1982), 70-71.
- 18 Elspeth Cameron, "Newman, Peter Charles," in *Canadian Encyclopedia*, <http://www.thecanadianencyclopedia.com>.
 - 19 "Newman," *Toronto Star*, 18 January 1969, 4.
 - 20 Peter C. Newman, *The Canadian Establishment* (Toronto: McClelland and Stewart, 1975), 15.
 - 21 Peter C. Newman, quoted in Tillson, "Last Patriot," 28.
 - 22 Walter Gordon, *A Political Memoir* (Toronto: McClelland and Stewart, 1977), 59.
 - 23 Ibid., 146.
 - 24 Ibid., 264.
 - 25 Peter C. Newman, *The Distemper of Our Times: Canadian Politics in Transition, 1963-1968* (Toronto: McClelland and Stewart, 1968), 214-15. See also Stephen Azzi, *Walter Gordon and the Rise of Canadian Nationalism* (Montreal and Kingston: McGill-Queen's University Press, 1999).
 - 26 Tillson, "Last Patriot," 29.
 - 27 Newman, *Home Country*, 207-9. This description of Gordon first appeared in print in 1965. It later appeared verbatim in Newman, *Distemper*, 214-15.
 - 28 Peter C. Newman, *Flame of Power: Intimate Profiles of Canada's Greatest Businessmen* (New York: Longmans, 1959), 214-15.
 - 29 Ibid., 248-52. By 1959 Newman was asking in *Maclean's*, "Are Canadians just squatters in their own country?"; quoted in Tom Fennell, "Maclean's and the 20th Century," *Maclean's*, 26 June 1995, 40-41.
 - 30 Newman, *Distemper*, 81; Newman, *Renegade*, 127.
 - 31 Newman, *Renegade*, 295-97.
 - 32 Tillson, "Last Patriot," 26.
 - 33 Newman, *Renegade*, 17.
 - 34 Ibid., 295-97.
 - 35 Ibid., 255-56.
 - 36 Lotta Dempsey, "Why He Wrote 'That Book,'" *Toronto Star*, 21 November 1963, 49.
 - 37 Newman, *Renegade*, 253.
 - 38 Ibid., 445-46.
 - 39 "Peter C. Newman Joins *The Star* as Ottawa Editor," *Toronto Star*, 11 July 1964, 1.
 - 40 Dalton Camp, "Treacle Trickles through Pearson Biography," *Toronto Star*, 6 April 1964, 7.
 - 41 George Grant, *Lament for a Nation: The Defeat of Canadian Nationalism* (1965; reprint, Toronto: McClelland and Stewart, 1970).
 - 42 No mention of Newman is made in connection with *Lament for a Nation* in William Christian's superb *George Grant: A Biography* (Toronto: University of Toronto Press, 1993).
 - 43 Grant, *Lament for a Nation*, 4-5, 30.
 - 44 Ibid., 7-8.
 - 45 Ibid., 15.
 - 46 James Laxer, quoted in Ryan Edwardson, "'Kicking Uncle Sam out of the Peaceable Kingdom': English-Canadian 'New Nationalism' and Americanization," *Journal of Canadian Studies* 37, 4 (2002): 131-50 at 134.
 - 47 In the foreword to the 1989 reprint of *Renegade in Power*, Newman wrote, somewhat defensively, that he had "no fixed political affiliation" (15) prior to 1957 nor any at the end of Diefenbaker's tenure as prime minister. This was as close as he ever got to a refutation of Grant's intimation that he had served as a Liberal hack.
 - 48 Edwardson, "'Kicking Uncle Sam,'" 134.
 - 49 Newman, *Distemper*, 54-55.
 - 50 Peter C. Newman, "Customs Union with U.S. Could Destroy Our East-West Backbone," *Toronto Star*, 10 October 1964, 8.
 - 51 See, for example, Peter C. Newman, "A Canada-Cuba Deal that Shook Washington," *Toronto Star*, 4 November 1967, 7. See also Newman, *Distemper*, 218-30.
 - 52 Peter C. Newman, "Sharp Hints He'll Say Good-Bye to Co-operative Federalism Idea," *Toronto Star*, 4 January 1966, 7.
 - 53 Peter C. Newman, "A Meeting Where Canada Spoke Up," *Toronto Star*, 17 March 1966, 7.
 - 54 Peter C. Newman, "What the Kennedy Round Can Mean to Us," *Toronto Star*, 2 May 1967, 7.
 - 55 Ibid. See also Peter C. Newman, "Cheaper Imports and Less Protection," *Toronto Star*, 3 May 1967, 7.
 - 56 See Azzi, *Walter Gordon*, 168.
 - 57 Eric Kierans, quoted in Peter C. Newman, "Why Eric Kierans Wrote Those Letters," *Toronto Star*, 3 February 1966, 7.
 - 58 Ibid.
 - 59 Peter C. Newman, "Kierans' Book May Signal Ottawa's Move," *Toronto Star*, 25 October 1967, 7.
 - 60 Peter C. Newman, "How Did Pearson Keep this Cabinet Working Together?" *Toronto Star*, 6 April 1968, 7.
 - 61 Quoted in Newman, *Home Country*, 229-31.
 - 62 See Robert Wright, *Virtual Sovereignty: Nationalism, Culture and the Canadian Question* (Toronto: Canadian Scholars' Press, 2004), Chapter 2.
 - 63 Peter C. Newman, "Missiles on the Moon?" *Toronto Star*, 10 April 1967, 7.
 - 64 Ibid.
 - 65 Peter C. Newman, "NORAD: The Squeeze Play Is On," *Toronto Star*, 12 April 1967, 7.
 - 66 Peter C. Newman, "Suddenly McNamara's a Dove," *Toronto Star*, 11 April 1967, 7.
 - 67 Peter C. Newman, "Our American Godfather," *Maclean's*, November 1972, 25.
 - 68 Gordon, *Political Memoir*, 280-82.
 - 69 Peter C. Newman, "The Perils of Diplomacy by Good Faith," *Maclean's*, August 1971, 3.
 - 70 Peter C. Newman, "The Liberals' Aching Inertia," *Toronto Star*, 31 May 1967, 7. See also Peter C. Newman, "The Quiet Diplomacy Myth Explodes," *Toronto Star*, 27 May 1967, 7.
 - 71 Peter C. Newman, "Let's Get Some Jocks at External," *Maclean's*, March 1972, 3.
 - 72 Newman, *Distemper*, xiii.
 - 73 Ibid., 54-55, 81, 88, 214-15, 218-30.
 - 74 Ibid., 423-24.
 - 75 Tillson, "Last Patriot."
 - 76 Walter Gordon, paraphrased in "It Needn't Bust Us," editorial, *Toronto Star*, 20 January 1971, 6. See also Walter Stewart, "The Canada Firsters March on Ottawa," *Maclean's*, December 1970, 1-3.
 - 77 Peter C. Newman, quoted in "Independence Top Issue of 70s, Peter Newman Says," *Toronto Star*, 16 April 1970, 4.
 - 78 Peter C. Newman, paraphrased in "Canada Must Fight for Independence, Magazine Editor Says," *Toronto Star*, 27 April 1971, 12.
 - 79 Peter C. Newman, "Why I Believe in *Maclean's* and Why *Maclean's* Believes in Canada," *Maclean's*, May 1971, 3.
 - 80 Peter C. Newman, "Canada and the Psychology of Surrender," *Maclean's*, October 1971, 3.
 - 81 Peter C. Newman, "Canada at Childhood's End," *Maclean's*, 10 January 1977, 10.
 - 82 See Jeffrey M. Ayres, "From National to Popular Sovereignty? The Evolving Globalization of Protest Activity in Canada," *International Journal of Canadian Studies* 16 (Fall 1997): 107-24.
 - 83 Robert Fife, "66% Favour Stronger Ties to U.S.," *National Post*, 21 October 2002; Peter C. Newman, "Beware of Freer Trade," *Maclean's*, 2 December 2002, 46.
 - 84 Newman, *Distemper*, 218-30.
 - 85 Peter C. Newman, "The Table Talk of Roy Thomson," *Maclean's*, December 1971, 41.
 - 86 Peter C. Newman, "Trouble Comes to the Pearson Camp," *Toronto Star*, 28 October 1967, 7. See also "We Are Not People Who Are Spenders," editorial, *Toronto Star*, 6 November 1967, 3.

87 Grant, *Lament for a Nation*, 47.88 Philip Resnick, *The Land of Cain: Class and Nationalism in English Canada, 1945-1975* (Vancouver: New Star Books, 1977), 167, original emphasis.

89 Tillson, "Last Patriot," 29.

90 Peter C. Newman, "Liberalism's Long Shadow Lingers On," *Maclean's*, 5 February 1996, 42.91 Peter C. Newman, "A Strong Land, Born of Rejection," *Maclean's*, October 1973, 3.

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6

Multilateralism, Nationalism, and Bilateral Free Trade: Competing Visions of Canadian Economic and Trade Policy, 1945-70

Dimitry Anastakis

Canada, it seemed, had sold its soul to the devil. Writing from his vantage point in the early 1970s, the arch-conservative historian Donald Creighton described the course of Canadian history in the postwar period as having taken the wrong turn in "a forked road." The country had abandoned its British traditions and heritage to embrace increasingly American political and cultural influences. Creighton's famous turn of phrase was particularly aimed at Canadian economic policy and trade policy. After all, for Canadians – so dependent on trade for their prosperity, then as now – trade policy was economic policy, and it was clear to Creighton that after the Second World War, Canada had "sold out" to the Americans.¹

Yet Canada's economic fate was not so clear or certain in the two and a half decades after 1945. While an obvious American influence was undeniably seen through growing Canada-US economic ties – links whose strength seemed even more dominant in view of the dramatic decline of British ties to her senior dominion – there were more forces at play in Canadian policy making than a simple surrender to the continental pull. Trade multilateralism, as shaped by internationalist postwar organizations such as the 1949 General Agreement on Tariffs and Trade (GATT), encouraged Canada's desire to sometimes counterbalance the American influence by looking outside of North America. At the same time, a reborn and vibrant economic nationalism also provoked Canadians to think of a future that broke from both its traditional British heritage and from the allure of America.

Nonetheless, while others have challenged Creighton's prevailing view that Prime Minister Mackenzie King and his Liberals had sold the country out, Creighton's condemnation of Canada's seeming embrace of the American colossus left an indelible impression on the writing of postwar economic and trade history. This problem has been exacerbated by generally declining interest in such matters – an oversight, given the important questions surrounding Canada's place in an increasingly globalized and simultaneously unipolar world. Whereas Canadian economic and trade policy