Managing Democracy, Defending Capitalism: Gilbert E. Jackson, the Canadian Committee on Industrial Reconstruction, and the Changing Form of Elite Politics in Canada

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This article examines the interwoven history of University of Toronto economics professor-turned-business consultant Gilbert Jackson (1890-1959) and the Canadian Committee on Industrial Reconstruction (CCIR), an organization established by a small group of leading Canadian business executives in 1943. Unknown to the general public of the period, the CCIR financed Jackson to prepare studies and deliver speeches at a time when many corporate leaders believed that the spectre of socialism posed an imminent threat. This secretive political mobilization was intended to shape the formation of “expert opinion” as a means to exercising political influence. A deliberate campaign to manage democracy from above, it altered the political tactics of the business elite by ascribing a greater role and more autonomy to the expert-intellectual. Jackson’s intellectual output and role in the CCIR shared much in common with the contemporaneous activities of early neoliberals in Europe and the United States and presaged the proliferation of advocacy think tanks during the second half of the twentieth century, part of “a new technology of persuasion” that was reshaping the form of elite politics in Canada much earlier than is posited in existing scholarship.

L’article examine l’histoire entrelacée de Gilbert Jackson (1890-1959), professeur d’économie à l’Université de Toronto devenu conseiller en affaires, et du Canadian Committee on Industrial Reconstruction (CCIR), une organisation qu’avaient lancée un petit groupe de dirigeants d’entreprise canadiens en 1943. Ce qu’ignorait alors le grand public, c’est que le CCIR payait Jackson pour faire des études et prononcer des discours à une époque où bon nombre de chefs d’entreprise craignaient le spectre du socialisme, y voyant menace imminente. Cette mobilisation politique secrète visait à mouler « l’opinion

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des experts » dans le but d'exercer une influence politique. Tentative délibérée de gérer la démocratie d’en haut, cette campagne a transformé la façon pour l’élite des affaires de se mobiliser politiquement en conférent un plus grand rôle et davantage d’autonomie à l’expert-intellectuel. La production intellectuelle et le rôle de Jackson au sein du CCIR avaient beaucoup en commun avec les activités contemporaines des premiers néolibéraux de l’Europe et des États-Unis et laissaient présager la prolifération des cercles de réflexion partisane durant la seconde moitié du XXe siècle dans le cadre d’une « nouvelle technologie de la persuasion » qui remodelait la politique de l’élite au Canada beaucoup plus tôt qu’on ne le postule dans les écrits savants existants.

THE REINVIGORATION of free-market ideas in the twentieth-century United States has become the subject of a vast literature, which has led to a greater recognition of the role of businesspeople in the American conservative movement.1 Important new work on the origins of neoliberalism has also underlined the role of businesspeople in sponsoring intellectual activity as well as the importance of intellectual-activists in championing neoliberal ideas through the Mont Pèlerin Society, a predominantly European and American group, founded in 1947, that became the core of an expanding web of think tanks in many parts of the globe in the postwar period.2 Canada may appear a backwater to these historical developments, and indeed businesspeople and the trajectories of right-wing politics in twentieth-century Canada have to a considerable extent eluded the attention of social history and its methodologies.3 Historians have typically emphasized the willingness of Canadian big business to support various forms of state intervention during the 1930s and 1940s, suggesting that major business executives were mostly corporate liberals, not likely supporters of the free-market idealism associated with neoliberalism.4 The rise of Keynesian liberalism and economic planning also remains a central theme in the historiography of twentieth-century Canada, deemed a signal moment in the making of modern Canadian society.5 It

3 No Canadians played any significant role in the early history of the Mont Pèlerin Society. See Dieter Plehwe, “Introduction” in Mirowski and Plehwe, eds., *The Road from Mont Pèlerin*, pp. 16-17. Canadian social history’s relative inattention to the history of elites and the political right was the recent subject of an online post by Tina Loo, “Unfinished History,” October 24, 2012, ActiveHistory.ca (accessed February 16, 2013).
is, then, unsurprising to find that scholars generally consider the business elite’s conversion to free-market ideas a relatively recent historical phenomenon in Canada, linked to the emergence of neoliberal groups such as the Fraser Institute and the Business Council on National Issues during the 1970s and a small constellation of groups and people during the preceding decade.6 Indeed, it has been argued that the Canadian reception of neoliberal ideas was tempered by a combination of factors, including the dependence of Canadian big business upon the state, which allegedly produced a type of neoliberalism less influenced by free-market idealism than in the United States.7 Collectively, these accounts not only give the impression that Canada was an unlikely place for a proto-neoliberal mobilization when Keynesianism was on the rise during the 1940s; they also suggest that Canadian big business would have been an unlikely source of support for such an effort.

Drawing upon the methods of social history, this study demonstrates that the activism of Canadian big business was more vigorous and innovative during the middle years of the twentieth century than has been typically assumed.8 Established by a small group of leading Montreal business executives in 1943, the Canadian Committee on Industrial Reconstruction (CCIR) signalled an important change in the political activism of the national business class at a time when many corporate leaders believed that the spectre of socialism posed an imminent threat. Rather than climbing the proverbial soapbox or attempting to work directly through politicians and political parties as they had done in the 1930s, business executives in the CCIR discussed matters behind closed doors and sponsored research under the auspices of experts, engaging the Toronto offices of Gilbert Jackson and Associates, the consulting firm of former University of Toronto economics professor Gilbert Jackson (1890-1959). In their efforts to revitalize free-market ideals by influencing prominent figures within the media, government, and academia, Jackson and the CCIR pursued a strategy that would become increasingly common during the second half of the twentieth century with the

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8 Differing from the earlier scholarship listed in the footnotes above, this article builds upon Don Nerbas, Dominion of Capital: The Politics of Big Business and the Crisis of the Canadian Bourgeoisie, 1914-1947 (Toronto: University of Toronto Press, forthcoming), which argues that the country’s big bourgeoisie remained significantly committed to classical liberal ideals and opposed to new forms of state interventionism during the 1930s and 1940s.
proliferation of advocacy think tanks, a key feature in what Philip Mirowski has called “a new technology of persuasion.”9 Gilbert Jackson was not a mere servant of the businesspeople who financed his research and supported its dissemination, however.10 Through the CCIR, Jackson actively sought to organize Canadian big business and provide it with intellectual leadership. This new emphasis upon expert opinion altered the architecture of the business elite’s political mobilization by ascribing a greater role and more autonomy to the expert-intellectual.11

There is evidence to suggest that Jackson and the CCIR had a direct impact upon government policy and economic thought during the 1940s, but this study refrains from firm assertions about the organization’s political effectiveness or success. Rather, the argument centres upon the existence, form, and nature of Jackson’s work with the CCIR. Indeed, Jackson and the CCIR form an important historical link between conservative business magnates of the 1930s and business advocacy groups operating in the 1960s and 1970s such as the Canadian-American Committee and the C. D. Howe Institute. While Barry Ferguson, J. L. Granatstein, Douglas Owram, and other scholars have examined the rising influence of reform liberalism and Keynesianism within Canadian intellectual networks and its growing influence over state policy during the 1930s and 1940s, the persistence and further development of a free-market liberalism during these years has failed to attract much scholarly attention.12 Closely associated with a predominantly Montreal-based faction of the Canadian bourgeoisie whose historic power within the country’s economic and political life had been seriously damaged during the 1930s and 1940s, the CCIR is best understood as a defensive manoeuvre to carry forth free-market, pro-business ideals into the postwar period. Jackson and the CCIR thus reveal a form of persistent class contention that defies the historiographical tropes of “Fordism” and the “postwar settlement.” It is necessary not to overstate the extent of the ideological conversion of big business to the state-managed capitalism of the period following the Second World War. Unlike in 1919, when business leaders and their political allies could mobilize the police power of the state to suppress an expansive and increasingly radical labour movement, by the 1940s the political power of Canadian big business was much more limited and tenuous. This narrowed the political alternatives open to business conservatives who remained substantially opposed to the enhanced position of organized labour and the new

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9 Philip Mirowski, “Postface: Defining Neoliberalism” in Mirowski and Plehwe, eds., The Road from Mont Pèlerin, p. 432. See also Carroll, “Consolidating a Neoliberal Policy Bloc.”
10 As Dieter Plehwe, Bernard Walpen, and Gisela Neuhöffer note, intellectuals played an autonomous leadership role in formulating and advancing neoliberal ideas; Jackson played a similar role within the CCIR. See “Reconsidering Neoliberal Hegemony” in Dieter Plehwe, Bernard Walpen, and Gisela Neuhöffer, eds., Neoliberal Hegemony: A Global Critique (New York: Routledge, 2006), pp. 4-5.
11 The relative autonomy of intellectuals within the neoliberal movement is emphasized in the edited volumes: Plehwe, Walpen, and Neuhöffer, eds., Neoliberal Hegemony; and Mirowski and Plehwe, eds., The Road from Mont Pèlerin. Intellectuals are presumed to possess rather less autonomy in David Harvey’s account of neoliberalism, A Brief History of Neoliberalism (New York: Oxford University Press, 2005).
12 See Granatstein, The Ottawa Men; Owram, The Government Generation; Ferguson, Remaking Liberalism. See also Krywulak, “An Archeology of Keynesianism.”
prominence of Keynesian ideas. At a time when their legitimacy was low and their ability to control – or capture – the public sphere had dissipated, prominent business executives continued the defence of free-market ideals through the CCIR in their ongoing war of position within Canadian society.

The liberalism that Jackson and the CCIR championed should not be confused with a dogmatic laissez-faire anti-statism, however. Like neoliberal intellectuals and earlier Canadian business conservatives, Jackson and the CCIR accepted the practical necessity (and possible benefits) of state intervention; their defence of free-market ideals was really a defence of a particular vision of the state’s role in society. They accepted the state as a facilitator of the market and private enterprise, but strongly protested attempts to broaden and redefine its role under the Keynesian and social-democratic paradigm. Though Jackson and members of the CCIR did not advance a self-conscious neoliberalism like the Mont Pèlerin Society, Jackson’s ideas and political strategies paralleled the international neoliberal movement in fundamental ways.

Indeed, Jackson’s “realist” view of democracy, which informed the strategies of the CCIR, was an important element in the broader neoliberal response to the ongoing political and ideological crisis of liberal capitalism that had been sparked by the Great Depression of the 1930s. As Mirowski notes, the “starting point of neoliberalism” arises from the admission, contrary to classical liberal doctrine, that the conditions for liberal society must be created through ongoing political intervention. Gilbert Jackson firmly embraced this precept, viewing the masses as an ignorant and potentially dangerous political force in need of guidance from above, a belief similar to the widely known views of American public intellectual Walter Lippmann.


\[14\] This signalled a change from the nineteenth century and earlier twentieth century, when economic elites sought to control and capture the public sphere directly. On the bourgeoisie’s success in capturing the public sphere during the latter half of the nineteenth century in New York, see Sven Beckert, “Bourgeois Institution Builders: New York in the Nineteenth Century” in Sven Beckert and Julia Rosenbaum, eds., *The American Bourgeoisie: Distinction and Identity in the Nineteenth Century* (New York: Palgrave Macmillan, 2010), pp. 103-117.

\[15\] As Mirowski notes, “A primary ambition of the neoliberal project is to redefine the shape and functions of the state, not destroy it” (“Defining Neoliberalism,” p. 436).


towards political democracy form part of a longer and more widespread historical tension between capitalism and democracy, but this tension assumed more subtle forms in elite political interventions in advanced capitalist countries during the 1940s and afterwards, such as those of Jackson and well-known neoliberal thinkers like Friedrich A. von Hayek. It was also evident in “progressive” organizations such as the Brookings Institution in the United States, which evinced a similar “suspicion toward democracy and the electorate” as threats to the free-enterprise system. Jackson and his business patrons addressed a political environment, as did businesspeople and neoliberal intellectuals in the United States and Europe during the 1940s, in which popular left-wing political mobilizations appeared to threaten liberal-capitalist society. Their renovation of political practices and thinking was intended to rescue and revitalize liberal capitalism through an ongoing management of democracy that treated the public sphere less as a forum for rational debate and deliberation, as classically conceived, and more as an arena for the necessary manipulation and moulding of public opinion. In this way, they sought to resolve the historic tension between capitalism and democracy by attempting to alter the practice and conception of the latter to serve the former.


20 In particular, a classical feature of Canadian democracy that posed a problem to big business was suspicion of large concentrations of wealth, viewed by nineteenth-century democrats such as William Lyon Mackenzie as a potential threat to democracy. See Allan Greer, “Historical Roots of Canadian Democracy,” Journal of
Gilbert Jackson’s early intellectual and political inclinations may have made him an unlikely candidate for his eventual work with the CCIR. Born at Hedon-in-Holderness, Yorkshire, England, in 1890, Jackson was the son of a medical doctor and the recipient of a solidly middle-class upbringing. He attended boarding school at Denstone College before embarking upon higher learning at St. John’s College, University of Cambridge, in 1907. In these years, Jackson became actively involved in the Liberal party, gaining membership in the Eighty Club, “the senior club of the Liberal Party, dedicated to the education of the electorate in Liberal principles, between elections.”

He received a Bachelor of Arts from Cambridge in 1911 and left for Canada that year to take up the position of Lecturer in Economics at the University of Toronto. He was then a left-leaning liberal; a University of Toronto colleague reminisced that Jackson “had come from Cambridge a mild socialist.” During the First World War, in 1916, he left his academic post to join the British Army, serving in Mesopotamia before his discharge in 1919. Jackson returned to the University of Toronto’s Department of Political Economy after the war. He moved easily between Canada and Britain, his fundamental frame of reference not a particular country but the British Empire. He would later declare before an audience of British schoolboys that travelling to the “farthest points of the Empire to gain experience and understanding” was “of vital importance in keeping the British Empire together.”

His British Empire was classically liberal and progressive – a beacon of universal material and spiritual advancement, rooted in the imagined experience of the nineteenth century. Firmly located in this British liberal tradition, Jackson’s early involvement with the Workers’ Educational Association, which he helped establish in Canada, and editorship of the *Canadian Forum* from 1920 to 1924 (serving as chairman from 1920 to 1922) reflected his progressive outlook after the First World War.

However, like other progressive intellectuals, Jackson emerged from the experience of the Great War – in the wake of the jingoist uproars it provoked,
spurred along by propaganda – with a deep distrust of the public’s capacity to make responsible political decisions. Jackson articulated this hardened sense of realism in a short article published in the November 1920 issue of the *Canadian Forum*. “The War may have weakened our faith in many things,” wrote Jackson,

but it greatly strengthened the belief in propaganda. At one time, not far distant, it was supposed that our liberties as freemen were protected by an active and intelligent public opinion. Governments bowed, and politicians cringed before it. Here in Canada we held it not a little reverence; and our more impressionable neighbours to the south (at least when they were called to public office) spoke of the Voice of the People as the Voice of God. Those halcyon days are over; maturity has made an end of this illusion. We know that the public cannot be trusted to itself to make up its mind. Its opinion, like the potter’s clay, waits for moulding which shall give it form and purpose. And just as the potter who moulds it is of much more importance than his clay, so we may infer that an artist in publicity, moulding what is still politely described as public opinion, is of much more importance than the thing he controls.

Jackson thus perceived the arrival of a new era, which would be shaped more directly by the “artist in publicity,” whose sense of purpose emerged from the discovery “that the public cannot be trusted to itself to make up its mind.”

During the 1920s and 1930s, Jackson developed closer associations with the business world. Appointed as the Bank of Nova Scotia’s first economist in 1927 and representing the Canada Cement Company before the Tariff Advisory Board the following year, Jackson used his expanding connections with the business community to secure job placements for University of Toronto commerce graduates. Harold Innis, Jackson’s department colleague at the University of Toronto, viewed these connections with suspicion, but Jackson’s involvement with business expanded during the Great Depression of the 1930s. In 1934 he was working for Eaton’s, preparing a statement for the retailing giant in its defence before the muckraking Special Committee on Price Spreads and Mass Buying. Indeed, Jackson responded to the political and economic circumstances of the Great Depression with a forceful defence of economic liberalism and condemnation of the unreliability of public opinion, indicative of his drift to the right. For Jackson, the market economy represented a moral order; economic questions were inseparable from moral ones, and from his perspective Canada was threatening to fall into a moral abyss.

He articulated this sense of alarm in a book published in 1935 titled An Economist’s Confession of Faith, mostly a collection of past speeches. Claiming that “economics is an exemplification of moral law,” Jackson declared “nationalism and speculative greed” the main causes of the Great Depression: the former inhibiting commerce and the latter luring capital away from “the trade of the world,” causing its breakdown. Society’s way out rested with individuals, who might form a movement that “aims to drive out selfishness from the heart of man and condemns the nationalist expression of selfishness in armed warfare and tariff warfare.”

He understood these moral beliefs within a classical British liberal tradition, articulating laissez-faire ideals – cast in the language of “Britishness” – that continued to hold considerable sway among Canadian business conservatives; he would later playfully declare himself “a blend of those two deplorable products of evolution, Old Yorkshire and the Nineteenth Century.” For Jackson and many business conservatives in Canada, the British tradition was inimical to state intervention. “Our British way has been to put our trust in character,” proclaimed Jackson, “not in legislation.” Indeed, he viewed the British government’s fiscally austere policies during the Depression as evidence of the British people’s “wonderful readiness to follow strong leadership” and willingness to sacrifice in the interest of economic recovery. By contrast, Jackson believed that, under Franklin Delano Roosevelt’s New Deal, the United States was following a course that not only stood to disrupt economic recovery but also threatened to diminish individual freedom. Capitalism, he argued, gives people the “priceless liberty” of the market economy: “My five dollars are five votes in a continuous referendum.” While Jackson celebrated the market as a mechanism of “priceless liberty,” he remained deeply suspicious of the political instincts of the general public, “whose opinion, stupid, lethargic and timid, sets limits to what the most energetic and awake of Governments can do.” He complained that there was “not one person in ten thousand who possess a detailed, scientific understanding of capitalism’s instability. But all ... are eagerly discussing remedies; and discussing them in a state of hopeless ignorance.” Meanwhile, the speechifying of most politicians in most countries

31 Ibid., p. 37.
33 See, for example, Don Nerbas, “Howard Robinson and the ‘British Method’: A Case Study of Britishness in Canada during the 1930s and 1940s,” Journal of the Canadian Historical Association, vol. 20, no. 1 (2009), pp. 139-160.
36 Ibid., pp. 50-58.
37 Ibid., p. 75.
38 Ibid., p. 68.
39 Ibid., p. 77.
resembled "the nostrums of a patent medicine vendor at a country fair." Within
this world of overwrought political appeals, believed Jackson, the disinterested
practitioners of economics could serve a vital role. Jackson’s confession of
faith in economic liberalism paralleled the ideas of early neoliberals, who, like
him, combined a highly constructivist notion of political rule with a naturalized
description of the market economy.

In September 1935 the New York Times described An Economist's Confession
of Faith as an “unconventional [book] to come from the pen of a professionally
successful economist,” but “[f]or that reason ... all the more worth attention.”
Jackson had earlier in the year relinquished his positions with the University of
Toronto and the Bank of Nova Scotia to become Advisor to the Governors of
the Bank of England in London. Within four years, in January 1939, he filed
his resignation, having made plans to move back to Canada to set up a consulting
business, with retainers already secured from the Canadian Pacific Railway
(CPR), Canada Packers, and Canadian Industries Limited. As Jackson reported
to Financial Post editor Floyd Chalmers, “I shall be ... doing the same kind of
work as I did for a number of years before coming to London in 1935.” Jackson
had been “mediating something of the sort for ten years past,” preferring “independent professional work than being a wage-earner, even in gilded surround-
ings and among delightful people.”

Jackson shared the general political priorities of his Canadian clientele. Since
the onset of the Great Depression, the national business elite had remained stub-
bornly attached to a classical liberal interpretation of the Depression, which
emphasized the need to rein in government deficits through retrenchment. CPR
president Edward Beatty led the campaign of big business towards this end.
(Not incidentally, the railways were central to this debate.) Faced with a public
largely hostile to them and their views, however, Beatty and his St. James
Street allies attempted to encourage the formation of a nonpartisan “National
Government” that would combine the country’s two major national parties into
a government insulated from the democratic constraints of party politics. Such
efforts to transcend partisan politics not only failed; they evidenced the failure of
business executives to have their conservative agenda embraced by either major
national party. By the latter half of the 1930s, the emergence of industrial union-
ism combined with persisting concerns about taxation, government spending,
and Canada’s relationship to the British Empire to hasten the political isolat-
tion of conservative business leaders, who ineffectively struggled to rehabilitate
the rugged liberal individualism that continued to shape their world view. After
the onset of the Second World War, Arthur Meighen’s resurrection as leader of the
Conservative party in 1942 was a short-lived victory for business conservatives,

40 Ibid., p. 160.
41 Ibid., pp. 64-65, 149-173, and passim.
43 JP, box 14, file 1, Jackson to Floyd Chalmers, January 6, 1939; Jackson to Gordon Taylor, January 6, 1939;
and Jackson to Vernon Mackenzie, January 11, 1939.
but his defeat in a by-election that February to a socialist candidate represented a crippling defeat. With the strength of organized labour growing and a socialist political party, the Co-operative Commonwealth Federation (CCF), emerging as a serious challenger to the established Liberal and Conservative parties at the national level, Canada’s political landscape was undergoing a significant leftward transformation.44

II

The new political tenor of the times was sounded in March 1943 when the government-appointed Advisory Committee on Reconstruction released what would become commonly known as the Marsh Report, authored by the former Director of Social Research at McGill University, Leonard Marsh. A graduate of the London School of Economics and former member of the left-wing League for Social Reconstruction, Marsh embraced a Keynesian view of the state’s responsibilities in economic and social life, and the Marsh Report articulated a vision of a considerably expanded state role in providing social security, similar to the Beveridge Report in Britain.45 Known as the James Committee, after its chairman and McGill principal Cyril James, the Advisory Committee on Reconstruction was composed of non-government personnel operating outside the influential circle of bureaucrats who played a major role in directing government policies during the 1940s. Historians have tended to view the James Committee as a relatively unimportant group, one that provided “testimony to the interconnected nature of reform thought in Canada,” but whose most enduring achievement was the production of the Marsh Report itself.46 However, on the heels of the report’s release, another political project – born of dramatically different priorities – was being organized by leading business executives in association with the James Committee.

On April 7, 1943, Morris Wilson, the president of Canada’s largest bank, the Royal Bank of Canada, wrote privately to Ogilvie Flour Mills Company president Charles Dunning. Wilson explained that he was setting up a meeting of “a small group of industrialists and others” to discuss with Cyril James “their relations to his work as Chairman of the Reconstruction Committee.” “It is expected that there will be with us Mr. Gilbert Jackson, the well-known economist,”

45 Leonard Marsh, Report on Social Security for Canada (Toronto: University of Toronto Press, 1973 [1943]).
noted Wilson. James had, months earlier, expressed the view that businessmen should develop and present their own plans to the committee, whose members were unanimous in supporting the establishment of a Subcommittee on Industrial Reconstruction. On March 17, sugar magnate and newspaper proprietor J. W. McConnell had hosted a luncheon in Montreal attended by Cyril James and a small group of leading business executives, consisting of Morris Wilson, Charles Dunning, Stelco president Ross McMaster, Dominion Textile Company president Blair Gordon, and Canadian Industries Limited president George W. Huggett. At the end of lunch, James “invited them to serve as members of the new Subcommittee.” Unlike other subcommittees that had been established in association with the James Committee, this moneyed group would finance its own activities, setting a course for its extended and independent afterlife.

Gilbert Jackson worked with Cyril James in July to draft a memorandum outlining the set-up of the Canadian Committee on Industrial Reconstruction as an informal committee established to “study the problems that will be encountered by manufacturing industries throughout the Dominion of Canada in connection with the termination of hostilities,” as well as to confer with governmental agencies working on a range of problems associated with the transition from war to peace. While the James Committee released its final report in September, the CCIR “held its first formal meeting in the Council Room of the Arts Building at McGill University” that month, quickly developing a momentum and purpose of its own, with Jackson already at work carrying out the Committee’s research programme.

Charles Dunning played a particularly crucial role in the Committee and epitomized its political priorities. Once a farmers’ representative and general manager of the Saskatchewan Co-operative Elevator Company, Premier of Saskatchewan, and Minister of Finance and Railways and Canals in the Dominion government, Dunning had been quick to assimilate into the charmed world of St. James Street when given the opportunity after his defeat in the 1930 federal election, becoming closely associated with the CPR. When he re-entered Mackenzie King’s Liberal administration as Minister of Finance in 1935, it was as a representative of big business. The strain of the position proved too much; after suffering a heart attack in the Parliament building in 1938, Dunning retreated from active politics the following year, having struggled in government while the economy remained in the doldrums and while Keynesian ideas slowly crept their way into official policy. Not long after, he was appointed president of Ogilvie Flour Mills and gained directorships with numerous leading companies such as

47 DP, box 23, file 216, Morris Wilson to Charles Dunning, April 7, 1943.
49 James, “The Canadian Committee on Industrial Reconstruction,” p. 4.
50 DP, box 23, file 216, Memorandum, “The Canadian Committee on Industrial Reconstruction,” n.d. [internal evidence indicates that the document was produced July 12, 1943].
51 James, “The Canadian Committee on Industrial Reconstruction,” p. 6.
the Bank of Montreal, the CPR, and Stelco. Remaining deeply committed to the rugged individualism of nineteenth-century liberalism, Dunning’s retreat from politics was not permanent; he played the lead role in founding the CCIR, serving as its chairman and assuming an important role in establishing its direction.  

Dunning was troubled by the leftward shift in national politics, which had reached new heights by 1943. He conceived of the Committee as “a private and independent ‘shadow cabinet’ of responsible citizens, who would themselves study, and cause to be studied, problems of Canadian interest affecting the business and industrial community”; the group would also “disseminate its findings to other interested persons and to the public.” Joining Dunning on the group’s executive committee was the treasurer, Morris Wilson, and three other St. James Street moguls: Blair Gordon, Ross McMaster, and J. W. McConnell. A Toronto subcommittee was also established, originally consisting of Hugh Lawson of York Knitting Mills, Canada Packers president J. Stanley McLean, Massey-Harris Company president James S. Duncan, and Gilbert Jackson. A membership fee of $2,000 per year was established to finance the work of the Committee, to “consist of not more than 25 members”; research was to be carried out by Jackson and a research associate, Stuart Armour. “We are not trying to reconcile differences of view between different classes of the community but are trying to discover economic facts,” wrote Dunning to Jackson. Viewing the state’s growing scope of activity as an infringement upon individual freedom, private property, and initiative, these business executives supported the CCIR in an effort to assert more control over government policy and restore a free-market philosophy.

They found an invaluable and deeply committed ally in Gilbert Jackson. He too had become deeply troubled by the growing acceptance of Keynesianism and economic planning; “for those of us who regard with suspicion the propaganda for a planned economy,” said Jackson in a lecture at McGill University in 1941, “for those of us who have cherished economic freedom almost as much as we have cherished political freedom – for us, the days to come are likely to be depressing days.” Jackson had become concerned about the spectre of creeping socialism in Canada, viewing it – in much the same way as Friedrich Hayek would soon famously characterize it in *The Road to Serfdom* – as “a jump towards

54 Soon J. W. McConnell requested that he be replaced on the executive committee by J. D. Johnson, president of Canada Cement; McConnell believed it “unwise to have a newspaper publisher on this Executive Committee.” See DP, box 23, file 216, McConnell to Dunning, October 20, 1943.
55 DP, box 23, file 216, Dunning to Morris Wilson, October 8, 1943.
56 DP, box 23, file 216, Morris Wilson to Dunning, September 21, 1943; DP, box 42, file 347, Minutes, Meeting of the Canadian Committee on Industrial Reconstruction, September 16, 1943.
57 DP, box 23, file 216, Dunning to Jackson, October 13, 1943.
58 The Committee’s work also involved the task of collecting data for economic forecasting.
totalitarianism.” While the formation of the CCIR emerged out of the immediate political concerns of Canada’s big bourgeoisie, Jackson held the intellectual resources and reputation that would expand the Committee’s reach and shape its purpose and strategies. Viewing the market economy as a mechanism of liberty and social order, he instilled in the CCIR its programmatic ideological mission to direct its energies towards the broad aim of revitalizing doctrines of economic freedom. In general intellectual outlook, strategies, and goals, Jackson was a neoliberal avant la lettre in Canada; as did the international movement, he found eager support from moneyed businesspeople worried about the survival of economic liberalism and capitalism, epitomizing a classic alliance of the “neoliberal thought collective” between businesspeople and intellectuals closely associated with the discipline of economics.

III

Jackson’s ideological coalescence with the business executives who sponsored his work was considerable, but as Jackson surveyed the business community’s postwar planning efforts in 1943, he painted a pessimistic picture. Little work had been done, and organizations such as the National Construction Association were pressing “limited aims,” “looking to Government for their most lucrative opportunities.” Jackson made contact with numerous trade and business associations, while Ross McMaster and Canada Cement Company president J. D. Johnson were soon dispatched to survey the difficulties within the construction industry. “The construction men in general seem to think of little but securing great contracts from governments ... and if I were a C.C.F. politician,” wrote Jackson to McMaster, “I would wave my hat and cheer them on.” Jackson, from the beginning, was consciously engaged in the task of developing a campaign that would transcend the specific interests of particular firms or sectors to coordinate and lead big business as a whole. Before the end of 1943, Jackson was working with the Canadian Chamber of Commerce to plan an economic survey of Kitchener-Waterloo, Ontario, as a case study for postwar planning. It was completed the following year. Jackson and Armour also worked in association with organizations such as the Canadian Pulp and Paper Association and the Primary Textiles Institute.

60 See Mirowski and Plehwe, eds., The Road from Mont Pèlerin.
61 DP, box 23, file 216, Jackson to Dunning, October 23, 1943.
63 DP, box 23, file 216, Jackson to McMaster, November 15, 1943.
65 DP, box 23, file 218, Jackson to Dunning, March 17, 1944, and Jackson to Dunning, September 2, 1944; file 216, memorandum, n.d., attached to Armour to Dunning, October 19, 1943.
Jackson looked to the Committee for Economic Development (the Hoffman Committee) in the United States as a template for defining various fields of activity. While the Hoffman Committee – established in 1942 under the leadership of Studebaker Corporation president Paul G. Hoffman – covered the fields of “research,” “local factual surveys,” and “propaganda supporting private enterprise,” Jackson believed the work could be divided among separate organizations in Canada, with the Canadian Chamber of Commerce managing local surveys and conducting “propagandist activities.”66 Jackson became concerned, in particular, about the development of the National Industrial Federation (NIF), which had “grown out of the Heavy Industries Federation” in an effort to turn itself into a Canadian version of the Hoffman Committee. Though the organization included some prominent business figures such as Canadian General Electric vice-president H. M. Turner, Jackson believed that, essentially, “they have no money ... and no first-class people behind them.”67 When an executive from International Nickel, along with two associates from the NIF, met with Jackson and Armour to discuss the possibility of coordinating activities, Armour explained to them: “if the N.I.F. were to duplicate the Hoffman Committee’s activities, there would be definite overlapping both with the Canadian Chamber of Commerce, and with our own Committee.” “The visitors were visibly disappointed at this turn of the conversation,” reported Jackson.68 J. D. Johnson similarly felt “that the National Industrial Federation was rather intruding into the field of the Canadian Committee on Industrial Reconstruction,” and McMaster had already expressed his lack of “faith in the individuals composing the group.”69

In opposing the expansion of the National Industrial Federation, the CCIR consolidated its position as the organ of the Canadian business elite. The Committee also embraced a decidedly conservative political mission, unlike the Hoffman Committee in the United States, which adopted a more flexible corporate liberalism. The CCIR was also unique in its narrow membership and secretive nature.70 By the end of 1944 the presidents of the Aluminum Company of Canada, the Bank of Montreal, Canada Cement, Canadian Industries Limited, Consolidated Mining & Smelting Company of Canada (Cominco), Dominion Steel & Coal Corporation, Ford Motor Company of Canada, General Motors of Canada, Goodyear Tire & Rubber Company of Canada, Howard Smith Paper Company, and Noranda Mines were among the super-elite group of executives who made up the Committee’s personnel. These presidents of some of Canada’s

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66 DP, box 23, file 216, Jackson to McMaster, December 4, 1943.
67 DP, box 23, file 217, Jackson to Dunning, February 2, 1944.
68 DP, box 23, file 216, Jackson to Dunning, December 27, 1943.
69 DP, box 23, file 218, Minutes, Meeting of the Canadian Committee on Industrial Reconstruction, February 11, 1944; file 216, McMaster to Jackson, December 8, 1943.
largest corporations collectively controlled billions of dollars.\textsuperscript{71} In October of that year the Committee had decided to hold “informal meetings” once a month in Montreal and Toronto for discussion of “post-war problems and the Dominion’s economic outlook.”\textsuperscript{72} In the Committee, leading business executives were cultivating social relationships with their peers in an exclusive and informal setting. When Ford Motor Company of Canada president Wallace Campbell tried to send a representative to a meeting on his behalf, Jackson was forced to protest on behalf of the Committee, writing privately to Campbell that sending a representative “might threaten the basis of the relationship between members of the Committee, which is essentially personal.”\textsuperscript{73} It would, Jackson reiterated to Dunning, spoil the “family feeling.”\textsuperscript{74} The CCIR was more than a think tank; it was an elite social organization of corporate Canada.

Indeed, CCIR members were already interconnected through social and business networks that continued to link together Canada’s big bourgeoisie during the 1940s. Through interlocking directorships, membership in elite social clubs, shared social habits, and their lead roles within the country’s major universities, these men perpetuated an elite world of a bourgeoisie pretty much exclusively of Anglo-Celtic descent.\textsuperscript{75} The CPR, the Bank of Montreal, and the Sun Life Assurance Company of Canada were the companies of most significant overlap within the Committee – evidence of the persisting importance of Montreal within Canada’s economic elite. Ten of the nineteen CCIR members whose biographical data appeared in the 1943-1944 \textit{Who’s Who in Canada} resided in Montreal.\textsuperscript{76} Eleven were members of Montreal’s Mount Royal Club, which had been founded in 1899 by leaders of the “CPR-Bank of Montreal group” who wished to develop a social club more exclusive than the existing St. James’s Club.\textsuperscript{77} A further nine were members of the St. James’s Club and eight of Toronto’s York Club. By the 1940s Charles Dunning had gravitated towards the very centre of this world. Dunning, based upon the \textit{Who’s Who}, sat on the boards of nine Canadian corporations that overlapped with the directorships of other Committee members, and he also served as Chancellor of Queen’s University. The Committee also incorporated business executives of American branch companies, such as Wallace Campbell, whose business career had been set within a corporate hierarchy

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\textsuperscript{72} DP, box 23, file 217, Minutes, Meeting of the Canadian Committee on Industrial Reconstruction, October 12, 1944.
\textsuperscript{73} DP, box 23, file 218, Jackson to Wallace Campbell, May 12, 1944.
\textsuperscript{74} DP, box 23, file 218, Jackson to Dunning, May 15, 1944.
\textsuperscript{75} The social habits of the Canadian bourgeoisie are discussed in Nerbas, “The Politics of Capital,” pp. 80-81, 155-157, 198-199, and 316-321.
\textsuperscript{76} This figure includes four individuals who lived in Westmount, an elite suburb outside Montreal.
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distant from the vibrant associational life of Canada’s bourgeoisie. In this way, the Committee sought to forge a new solidarity that reflected the changing – more North American – shape of Canadian big business. It was less successful in transcending its narrow regional and ethnic base; no French Canadians were members of the Committee, although the Committee worked with a French-Canadian associate, Senator Léon Mercier Gouin, the son of former Quebec Premier Lomer Gouin.  

IV

A detailed strategy had also emerged. Jackson and Armour had been preparing a series of memoranda on “a broad range of topics,” covering population growth, the construction industry, national income, and other issues. A report from the executive committee in September 1944 outlined a plan for disseminating these memoranda. It declared that “the Committee must alike in appearance and in fact abstain from partisanship or propaganda,” while making its studies available to “non-members ... to make use of this information for their own purposes in any manner that they may deem fit, without implicating the Committee,” expressing a purposeful awareness of the secretive nature of the Committee’s activities. While dissemination of the studies in academic circles was an aspect of the executive committee’s outlined strategy, the report articulated the view that a more immediate impact could be made through major newspapers and national magazines. Dunning and the executive committee hoped to make contact with these various groups participating “in the formation of public opinion at various social and cultural levels.” In this way, the Committee could “disarm both the critics of planning by Business, and also those who claim that Business is incapable of planning,” while also creating “in the minds of the public a more realistic appreciation of Canada’s post-war problems.” Gilbert Jackson was the person primarily responsible for carrying out this public relations drive. The Committee adopted the strategy outlined in the report unanimously in October 1944 and invited University of Toronto president Sidney Smith and Queen’s University principal R. C. Wallace to join McGill’s Cyril James in the Committee as non-paying members – and the only non-business executives represented in the group.

The CCIR also fed its research to the newly created Department of Reconstruction, which headed the government’s important task of managing the transition to a peacetime economy. In December, Dunning reported on a recent conversation with R. A. C. Henry, the department’s deputy minister, in which “it was agreed that the Committee should maintain the closest liaison with the

78 DP, box 24, file 220, Jackson to Dunning, April 30, 1945; Minutes, Executive Committee, Canadian Committee on Industrial Reconstruction, May 10, 1945.
79 DP, box 42, file 347, Report of Executive Committee to full Committee, Approved by Executive Committee, September 25, 1944.
80 DP, box 23, file 217, Minutes, Meeting of the Canadian Committee on Industrial Reconstruction, October 12, 1944.
new Ministry.”81 Jackson was soon thereafter dispatched to Ottawa; he met with
Henry and the department’s research director, Dr. W. A. Mackintosh, to share
the Committee’s studies. After the meeting, Jackson believed the Committee’s
studies would have an influence, although he thought future “missionary work”
might perhaps be necessary.82 As Stuart Armour would explain in private cor-
respondence in June 1945, “we had carefully kept away from the cabinet level
of government, but ... we were in fairly close touch with those on the expert
level.”83 Although the original research programme of the Committee was highly
detailed and technical, Jackson kept the focus upon the “fundamental trends
of the Canadian economy.”84 The Committee’s output sought to build a funda-
mental interpretation of the Canadian economy in a conscious political strategy
to influence the “expert level” of policy formation, designed to work around
political parties and their leaders – who, always susceptible to the vicissitudes
of popular opinion, had proven unreliable political allies. Indeed, the executive
committee had decided that “[n]o direct approaches should be made to leaders
of political parties.”85

“Memorandum V: Exports and the National Income of Canada” is an arche-
type of the Committee’s output. A highly technical study that set out to analyse
the relationship between exports and Canada’s national income, the memo-
andum was, according to Jackson, “a preface of studies to follow;” and he worked
to disseminate it in the Department of Reconstruction.86 Though not obviously
political, the study offered an implicit rejection of Keynesian economic theory
and its vision of consumer-driven growth: in effect, the document made the case
that major Canadian exporters were the real driving force behind the national
economy.87 One of the implications of this finding, as Stuart Armour later put it
at the 1945 meeting of the Canadian Institute on Public Affairs, was that “social
security measures were no substitute for exports.”88 Jackson believed this insight
fundamental for W. A. Mackintosh and his work with the Department of Recon-
struction.89

Indeed, Jackson had already produced a booklet entitled Facts in the Case: A
Manual for Canada’s Planners, which laid out his formulations in a more acces-
sible manner. The pink-covered booklet went through two printings in February
and March 1944 and was reported to have had, along with other memoranda,
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a significant impact within official circles. Embracing the view of Canada as fundamentally an exporting nation, the booklet assailed the belief that “remedies applied internally” could compensate for diminishing exports. Given the direct link between exports and national income, argued Jackson, the path towards economic prosperity rested with industry’s competitiveness in uncertain export markets after the war, making it necessary “to keep down the costs of producing, transporting and distributing Canada’s wares.” Jackson also warned that political engineering to attain full employment and excessive wage demands from organized labour threatened to disrupt the framework for prosperity. Although he sought to acknowledge “the necessity of a strong trade union movement” and claimed that “[t]he magnificent fight of the Russians has taught us that communism does work,” these assertions were mere wartime window dressing to a store of ideas that were unrepentant in their doctrinaire economic liberalism. The booklet was a political tract, but one that offered a subtle form of political argumentation, which had eluded businessmen such as Edward Beatty during the 1930s. Jackson revealed his strategizing when Committee member S. G. Blaylock, Cominco chairman and president, questioned him on the booklet’s relatively positive depiction of Soviet Russia. As Jackson wrote, “my handling of Russia may give you the key to what I have been attempting all through the book.” He explained:

My purpose was “to take the pie out of the sky” for all those people who have been listening to the C.C.F. prophets.... Therefore I desired particularly to disarm a certain section of the readers, by taking as liberal an attitude to everything as one can honestly do. That is one of the reasons for my charitable remarks about the Russians; as also for my choice of a pink cover. Pink is a disarming shade – if you’re writing primarily for the “pinks.”

Purporting merely to provide “the facts in the case,” Jackson was engaged in a calculated political and ideological campaign in defence of liberal capitalism.

Canada Packers president J. Stanley McLean was one of the few voices within the CCIR to express opposition to Jackson’s strategy and the overall direction of the group’s activities. Uncomfortable with its elite composition and secretive methods, McLean, who had been known for relative enlightenment on the “labour question” and had been the only business executive in the CCIR to have also sat on the government-appointed James Committee, wished for a more open and inclusive approach. In early 1944 McLean continued to argue that the “membership should be broadened to include representatives of smaller industrial

92 Ibid., pp. 20 and 33-38.
93 Ibid., pp. 26 and 36.
94 DP, box 23, file 218, Jackson to S. G. Blaylock, March 7, 1944.
businesses,” believing that there “was a new spirit abroad in the world, and that business must take cognizance of that fact.” 95 The experience of war production had, according to McLean, freed society from “old economic limitations.” 96 Jackson disagreed. “Something is happening in our times,” he wrote McLean, to match the Fall of the Roman Empire – bigger than anything in the last fifteen hundred years. It is true that we know more engineering and chemistry now than men ever known before; but our fundamental problems are not technological.

You tend to think of Europe as a continent in which a lot of buildings have been smashed. I think of it as a continent in which your fundamental beliefs and mine have been smashed. These beliefs have to be restored, before we can have a sane world, or even renewed world trade. The task will take not one or two years, but at least one or two generations.

Jackson believed his familiarity with Europe made him more sensitive to the ideological threat than McLean, whose outlook, according to Jackson, was limited to that of “a business man in an orderly country, with a policeman directing traffic.” “[T]his is a revolutionary world,” declared Jackson to McLean: “If you had seen as many starving people as I have, or been in a few countries when revolution was simmering ‘under the lid,’ I think your eyesight would be different.” 97 However, Jackson’s argument for the necessity of a long-term strategy to renew economic liberalism failed to persuade McLean. Remaining opposed to the methods and doctrinaire free-market philosophy prevailing within the Committee, McLean eventually resigned in 1945; “my view is not shared by other members of the Committee,” he wrote to Dunning. 98 McLean’s eventual resignation was symptomatic of the programmatic mission advanced by Jackson within the CCIR, which confirmed the collective political and ideological focus of the CCIR’s activities.

V

Government spending and taxation were particularly prominent areas of debate and gained an important place on the CCIR’s agenda, especially as the transition to a peacetime economy neared and the possibility of major government commitments to social spending appeared possible. 99 In August 1945, shortly after the Liberal party victory in that year’s federal election, Mackenzie King’s administration tabled the Green Book proposals, which called for the creation of an advanced welfare state that would provide its citizens an array of social services, including

95 DP, box 23, file 217, Stuart Armour to Dunning, February 24, 1944; Morton, Working People, p. 179.
96 DP, box 23, file 218, Jackson to Dunning, May 25, 1944.
97 DP, box 23, file 218, Jackson to J. S. McLean, letter draft, n.d. [internal evidence indicates that the letter was prepared in May 1944].
98 DP, box 24, file 221, J. S. McLean to Dunning, May 19, 1945.
99 DP, box 24, file 221, Jackson to Dunning, February 1, 1944; DP, box 23, file 217, Armour to Duncan, December 13, 1944.
state-funded health care. “Altogether it looks to me like a proposal for a financial debauch,” complained Jackson, unimpressed by “the New Dealers whose thought now dominates Ottawa.”100 By December, Stuart Armour reported that Oxford University Press was printing a memorandum that had originated with the Committee, entitled Canada’s Burden of Taxation: Pre-War and Post-War.101 The slim booklet – prepared, so the cover indicated, by Jackson’s consulting firm – offered a direct rebuttal to the Keynesian ideas that were helping to legitimate the expansion of government-funded social services and deficit spending. This trend towards new government responsibilities was being backed by strong left-wing mobilizations, including a labour movement that – with the doubling of union members in Canada between 1939 and 1945 – had gained significant strength during the war; the political victory of the CCF in the predominantly rural province of Saskatchewan in 1944 was another source of the left’s political strength.102 These were trying times indeed for Canadian business conservatives.

Canada’s Burden of Taxation declared that implementation of the National Health Programme – together with other expenditures – would put taxation and government spending at dangerously high levels.103 Such government expansionism would not only “require from the citizens as taxpayers an undue proportion of their incomes,” but would “ultimately destroy the springs of enterprise; thus curtailing within unnecessarily narrow limits, for the mass of its citizens, those opportunities of earning a living.”104 Prepared explicitly “for post-war planners,” it declared that “the burden can only be lightened if the clamour of pressure groups is met with an uncompromising resistance.”105 The state, in other words, needed to be insulated from popular pressure. This campaign apparently had an impact. Within a year Ross McMaster reported: “Our members, I believe, were amazed at the results of the forecast of the government budget included in the brochure on taxation. It was taken as a textbook by the press, and created widespread interest, even in government circles.”106 As Alvin Finkel has shown, Prime Minister King’s “growing suspicions of the economic theories underpinning the Green Book Proposals” led to his reluctance about the development of an advanced welfare state and ultimately helped insure that such a state was not built after the war.107 The CCIR certainly played a role in contributing to a political and intellectual climate that encouraged this outcome, though the organization’s precise effectiveness is difficult to gauge. Whatever political effectiveness the CCIR achieved, it was not through chance, but

100 DP, box 24, file 220, Jackson to Dunning, August 16, 1945.
103 Canada’s Burden of Taxation: Pre-War and Post-War (Toronto: Oxford University Press, 1945), pp. 9-14 and passim.
104 Ibid., pp. 20 and 22.
105 Ibid., p. 20.
106 DP, box 25, file 224, McMaster to Dunning, September 6, 1946.
the product of calculated activism. Jackson and Armour had been busy at work carrying out the Committee’s public relations strategy throughout 1945.

On February 26, 1945, Jackson, Armour and Committee member Eric Phillips attended a dinner at the house of C. George McCullagh, the Globe and Mail’s president and publisher. The newspaper’s editor and a couple of its senior staff members were also present, along with Ontario Premier George Drew and his Conservative counterparts, George Hees (a former student of Jackson’s) and the prominent corporate lawyer and party fundraiser Henry Borden, the son of former Prime Minister Robert Borden. Jackson, Armour, and Phillips were there to discuss the Committee’s work. Though worried that “the discussion would be concerned largely with party politics,” Jackson was happy to report that “[t]here was no political colour at all to the night’s discussion.” “This has ‘broken the ice’,” he concluded, “so far as the daily press is concerned.”

Following the meeting, Wellington Jeffers, the financial editor of the Globe and Mail, “devoted the whole of his column on the financial page to the [Committee’s] research results.” By this time Jackson and Armour had already had talks with several editors from the Maclean Publishing Company, publishers of Maclean’s Magazine and the Financial Post; plans were also in the works to conduct discussions with B. K. Sandwell, editor of the national magazine Saturday Night, and executives from the Consolidated Press. In the months that followed contact was made with numerous other media outlets, including major French-language dailies in Quebec such as La Presse and Le Devoir of Montreal.

During the early months of 1945 Jackson addressed 130 senior officers of the CPR, he spoke with business economists and executives at the Faculty Club of McGill, he addressed a meeting of between 400 and 500 businessmen at the University of Toronto under the auspices of the Advertising and Sales Club, and he remained in close contact with the Department of Reconstruction, among other activities. Stuart Armour maintained a similarly busy schedule of speaking engagements, and in the fall, according to a Committee report, “made a two-week trip to Winnipeg, Saskatoon, Edmonton, Vancouver, and Regina.... He spoke at two public meetings and six ‘off-the-record’ meetings of business newspaper editors; interviewed the daily newspaper publishers in all of the cities visited; and talked with the Presidents of the four western universities, and some of their economists.” The result of these vigorous efforts was an extensive network of contacts that allowed the Committee to feed its studies to a wide range of individuals in positions of influence within the media, government, academia, and elsewhere. By the end of 1945 the Committee had collected 2,124 names for its English-language mailing list, including industrialists, federal and provincial government officials, government and academic economists, university officials,
librarians, and journalists. A French-language mailing list of 843 names had also been compiled, which included the names of 32 “senior members of the Roman Catholic Hierarchy,” reflective of the Committee’s efforts to disseminate its studies effectively within the predominantly French-Catholic society of Quebec.  

Efforts were also made to forge relationships with economists, both inside and outside academia. Most conspicuous among these efforts in 1945 was a conference organized by the CCIR in late November and early December at McGill University. Eleven Committee members from Montreal hosted the event, which was organized for a group of nearly 30 “visiting economists,” mostly academics. At the opening dinner at the Mount Royal Hotel on November 29, Dunning, “on behalf of the Committee, made a brief speech in which he welcomed the guests and outlined the purpose of the work of the Committee.” McGill principal Cyril James followed to explain “the genesis of the Committee.” In the days that followed, conference participants – including Jackson and his team of research associates, which had grown to include economics professor J. L. McDougall of Queen’s University and others – discussed the various memoranda of the Committee. Academic in tone, the discussions involved competing viewpoints, but were mostly of a limited, technical nature. The Committee members in attendance, Dunning reported, “were all convinced that the gathering had value and certainly it produced a most sympathetic attitude on the part of the visitors toward the work the Committee is trying to do, as well as disarming a great deal of the criticism of ‘big business’ which emanates from such quarters.” Hearing of the conference’s success, Massey-Harris president James S. Duncan expressed to Dunning his “wholehearted agreement with the Committee’s method of approach,” which he considered “much more effective than ... more direct methods.” Like so much of the Committee’s work, the surface appearance of non-political activity was, in fact, the product of planned activism designed to sway opinion among intellectuals.

By mid-1946, it was clear that postwar reconstruction would not result in any immediate or fundamental threat to private enterprise, and a catastrophic postwar recession never materialized. The Committee’s original task appeared fulfilled. As the business executives turned to consider the CCIR’s short history and its prospective future, they accorded Gilbert Jackson considerable praise. Ross McMaster privately attributed the Committee’s success to Jackson: “His unbiased opinion, his wide reputation and his ability as an interesting speaker and other qualifications have provided the means of reaching the news columns of the press to an extent not attainable except through an independent spokesman.”

113 DP, box 24, file 221, Jackson to Dunning, December 15, 1945.
114 DP, box 24, file 221, see the Hansard (pp. 1-2) attached to Jackson to Crabtree, December 17, 1945.
115 DP, box 24, file 221, Dunning to Wallace Campbell, December 17, 1945.
116 DP, box 24, file 220, Duncan to Dunning, December 26, 1945.
117 DP, box 25, file 224, McMaster to Dunning, September 6, 1946.
Duncan expressed similar sentiments, declaring: “our work, which has found expression through the booklets, pamphlets and speeches published or delivered by Gilbert Jackson, has played an important part in awakening public opinion in Canada to some of the difficulties of our present situation and the hazards of the future.” “To my mind,” he continued, “the really valuable factor in our Committee is Gilbert Jackson himself.”

“In Gilbert Jackson we have a man whom I believe the public trust,” observed General Motors of Canada president R. S. McLaughlin, who believed that the Committee’s work, “particularly regarding what the public will have to pay out for many, many years in taxes, has been instrumental in blocking certain socialistic schemes which we know were in the immediate offing.” Though somewhat laconic, these endorsements revealed a very strong belief in Jackson’s effectiveness and the Committee’s overall political strategy. They also confirm Jackson’s leadership in the CCIR. The growing importance of “expertise” in public debate enhanced the importance of intellectuals such as Jackson, who operated with a considerable amount of autonomy even while dependent upon the financial resources of business executives.

A few members, including J. W. McConnell, believed the CCIR’s work was essentially accomplished and that the group should be dissolved, but the majority concluded otherwise, envisioning the organization’s role in healing a postwar world that was threatening to drift away from the moorings of free enterprise.

“Punitive taxation” threatened to stifle the initiative of the entrepreneurial leaders of the future, claimed Ross McMaster, who lamented the appearance of “political class consciousness” and the power of “the great majority” to interfere with the meritocratic functioning of the market economy: “the Income Tax collector spares no class, and treats with the mildest strokes the great majority who are now enjoying a Roman holiday and, as a consequence, cry for more and more.” When the Committee was rechristened as the Canadian Council for Economic Studies at a meeting in June 1947, “[i]t was agreed that the Committee should be continued without substantial change in its original purpose.”

W. W. Goforth, a former student of Jackson’s, had left the position of Deputy Director of Defence Research with the federal government to become the group’s secretary to replace Stuart Armour, who had vacated the position late in 1946 to become economic advisor to the president of Stelco. Movement between business, government, and academia was common and easy for Jackson and his professional associates. As well, several new members joined, such as Canadian Bank of Commerce

118 DP, box 25, file 222, Duncan to Dunning, August 14, 1946.
119 DP, box 25, file 224, McLaughlin to Dunning, August 15, 1946.
120 This was a situation typical for early neoliberal intellectuals. See Mirowski and Plehwe, eds., The Road to Mont Pèlerin, passim.
121 DP, box 25, file 224, McConnell to Dunning, August 16, 1946.
122 DP, box 25, file 224, McMaster to Dunning, September 6, 1946, and McMaster to Jackson, September 23, 1946.
123 DP, box 17, file 162, Minutes, Canadian Committee on Industrial Reconstruction, June 10, 1947.
president A. E. Arscott. Harold Crabtree, president of the Howard Smith Paper Company, took over as chairman of the renamed group from Dunning, who had asked to step down. Dunning went over the group’s accomplishments at the June 1947 meeting. The Minutes read:

It was pointed out by the Honourable Charles A. Dunning that the Council’s small mailing list, of about 3,500 carefully selected names, has been gradually built up during a period of more than three years. The list is largely composed of parliamentarians, publicists and editorial writers, economists and other teachers in universities and secondary colleges, ministers of religion in the principal cities, industrialists and financiers, senior civil servants, institutional and labour economists. Moreover, the present list was compiled after personal visits and discussions with many of the individuals concerned, and the periodic mailing of printed and other memoranda would continue to be sustained by systematic interviews and personal correspondence, on the part of the Consultant and Secretary. In his view, there had already been satisfactory evidence that the material distributed, together with the interviews and public addresses of the Council’s staff and consultants, had been reflected in the broad character of public discussion, in the press of the Dominion, in parliamentary debate, and in the thinking of senior government officials.  

It was little wonder that Dunning, McMaster, and others wished to see the organization live on.

VI

With the onset of the Cold War, Jackson more directly privileged economic freedom over political freedom, evincing a trajectory that was very much in line with the neoliberal renovation of classical liberalism, which greatly constrained the acceptable scope of political freedom and toleration of dissent. Whereas he had years earlier, in 1931, defended the rights of Communists to speak “without hindrance” as fundamental to the British liberal tradition, in 1946 Jackson was warning a gathering of the insurance industry in Chicago that Communists could no longer be dismissed as a “corporal’s guard” of “mostly crackpots” who, “from time to time, marshaled their supporters in the polling stations.”  

Zealously single-minded and disciplined, warned Jackson, Communists had been active in western countries infiltrating various spheres of civil society.  

125 DP, box 17, file 162, Minutes, Canadian Committee on Industrial Reconstruction, June 10, 1947.  
127 Jackson, 1848 to 1948, pp. 10-15. Jackson’s friend, Tracy Philipps, a British intelligence officer and a self-described “applied-anthropologist” with wide colonial experience, including in Canada during the early 1940s with the Nationalities Branch and the Royal Canadian Mounted Police, declared the speech – later published as a pamphlet by the Canadian Chamber of Commerce – “precisely the doctor’s prescription for the present time when cap’ism is not merely sulking beneath the water-lilies but even apt to apologise for...
Cold War mentality and idiom, Jackson decidedly backed away from his earlier toleration of political dissent. A former University of Toronto colleague later reminisced that Jackson had become “more and more reactionary, almost paranoid on the subject of communism.”

Jackson continued his efforts to build links between economists and business. “There is,” Jackson had explained privately to Dunning in June 1946, “in the long view, no group which does more to shape popular opinion than the one hundred and fifty teaching economists in Canadian universities.” Troubled by the “moral skepticism” of academic economists and their “close fraternization” with government bureaucrats, which had provided “a fresh allure to ‘planning’,” Jackson argued that “the building of a bridge between the teaching economist in his classroom and the man of business downtown” be an aim of the group’s efforts in the future. While the Council did later support some university research, Jackson himself was probably a more important connection linking the business and academic worlds. Continuing to operate as a professional economist in the hire of the Council, Jackson was as active as ever until the mid-1950s, and his consulting firm was contracted by large corporations – such as General Motors of Canada, Canadian General Electric, and Stelco – for advice in contract negotiations with unions and to prepare economic briefs for conciliation boards. In the context of labour negotiations, economics was more than a disinterested science, but a weapon. One memorandum that emanated from Jackson’s offices provided this concise piece of advice: “The Union should be taught a basic lesson in economics.”

Though the Council expanded its mailing list to include significant international coverage and retained an impressive membership list by the end of the 1940s (see Tables 1 and 2), during the early 1950s the Council began to erode.

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128 See, for example, DP, box 17, file 163, Gilbert Jackson, “Storm Troops in Politics: The Canadian Version, Minus Uniforms” (speech delivered to the Rotary Club of Montreal, September 7, 1948), pp. 8-9.

129 Bladen, Bladen on Bladen, pp. 41-42.

130 DP, box 17, file 162, Tracy Philipps to Gilbert Jackson, November 4, 1947. Jackson appears to have arranged a meeting between Charles Dunning and Philipps. Jackson wrote to Dunning on October 9, 1941: “last night I took upon myself to tell a friend of mine that he should, with your permission, pay his respects to you sometime soon. His name is Tracy Phillips [sic]. During the last war he served in the Rifle Brigade; he has been at one time Governor of a Province in British East Africa. He has literally traveled all over the world; and he knows thirteen languages. His special field of work at the moment is connected with foreign-language groups in Canada, who largely man our heavy industries, and whose current state of mind is thus of very great importance. I put him to you with a good conscience, for I know that having met him you’ll not wish to lose touch with him again.” The letter is in DP, box 23, file 215. A fascinating analysis of Philipps and his Canadian activities can be found in Mark Kristmanson, Plateaus of Freedom: Nationality, Culture, and State Security in Canada, 1940-1960 (Toronto: Oxford University Press, 2003), pp. 1-48.

131 See, for example, DP, box 17, file 163, Gilbert Jackson, “Storm Troops in Politics: The Canadian Version, Minus Uniforms” (speech delivered to the Rotary Club of Montreal, September 7, 1948), pp. 8-9.

132 Evidence of Jackson’s consulting work for General Motors of Canada, Canadian General Electric, and Stelco can be found in JP, box 14, files 6, 8, and 18.

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<td>Immediate Past Chairman; Chairman</td>
<td>Howard Smith Paper Mills Limited</td>
<td>Montreal</td>
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<tr>
<td>Cross, Arthur</td>
<td>Vice Chairman; Chairman, Dominion Steel and Coal Corporation Limited</td>
<td>Montreal</td>
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<tr>
<td>Dobson, Sydney G.</td>
<td>President; Chairman, Royal Bank of Canada</td>
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<td>Duncan, James S.</td>
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<td>Massey-Harris Company Limited</td>
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<td>Dunning, Charles A.</td>
<td>Chairman; Chairman, Ogilvie Flour Mills Company Limited</td>
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<td>Gardiner, B. C.</td>
<td>President; Chairman, Bank of Montreal</td>
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<tr>
<td>Gordon, G. Blair</td>
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<td>Hahn, Major James</td>
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<td>Harkness, Colonel R. D.</td>
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<tr>
<td>Hilton, H. G.</td>
<td>President; Chairman, Steel Company of Canada Limited</td>
<td>Hamilton</td>
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<tr>
<td>Huggett, George W.</td>
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<td>Canadian Industries Limited</td>
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<td>James, F. Cyril</td>
<td>Non-Subscribing Member; Principal and Vice-Chancellor</td>
<td>McGill University</td>
<td>Montreal</td>
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<tr>
<td>Johnson, Frederick</td>
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<td>Lawson, Hugh</td>
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<td>Mather, W. A.</td>
<td>President; Chairman, Canadian Pacific Railway</td>
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<td>McLaughlin, Colonel R. S.</td>
<td>Honorary Member; Chairman</td>
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<td>McMaster, Ross H.</td>
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<td>Murdoch, James Y.</td>
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<td>Partridge, A. G.</td>
<td>President; Chairman, Goodyear Tire and Rubber Company of Canada Limited</td>
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<td>Phillips, Colonel Eric</td>
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<td>Smith, Sidney</td>
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<td>University of Toronto</td>
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<td>Stavert, R. E.</td>
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<tr>
<td>Wallace, R. C.</td>
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<td>Kingston</td>
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<td>Wecker, William A.</td>
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<td>Wedd, Stanley M.</td>
<td>Treasurer; Chairman, Canadian Bank of Commerce</td>
<td>Toronto</td>
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*Source:* DP, box 17, file 166.
Table 2: Canadian Council for Economic Studies: Analysis of Mailing List, January 14, 1949

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(Continued)
Dominion Steel president Lionel Forsyth and Royal Bank of Canada president James Muir left the group in 1953, unconvinced of the Council’s effectiveness. Meanwhile, Blair Gordon, president of Dominion Textiles, and Hugh Lawson, vice-president of York Knitting Mills, had also resigned, but “for budgetary reasons, probably not unconnected with the recession in textiles.” In early 1954, after Stelco president H. G. Hilton took over from James Duncan as chairman, plans were laid to develop a wider membership and produce studies “expressed in language more readily understandable to the average citizen.” The atrophy of the organization continued, however, until finally, in 1956, the Council was disbanded. This ending was evidence of the specific political emergency for which the group had been formed. Once the emergency subsided, so too did the

Note: Underlined items are new in 1948; ER refers to sections extensively revised in 1948.

Source: Document copied from DP, box 17, file 165.

Dominion Steel president Lionel Forsyth and Royal Bank of Canada president James Muir left the group in 1953, unconvinced of the Council’s effectiveness. Meanwhile, Blair Gordon, president of Dominion Textiles, and Hugh Lawson, vice-president of York Knitting Mills, had also resigned, but “for budgetary reasons, probably not unconnected with the recession in textiles.” In early 1954, after Stelco president H. G. Hilton took over from James Duncan as chairman, plans were laid to develop a wider membership and produce studies “expressed in language more readily understandable to the average citizen.” The atrophy of the organization continued, however, until finally, in 1956, the Council was disbanded. This ending was evidence of the specific political emergency for which the group had been formed. Once the emergency subsided, so too did the

134 DP, box 18, file 171, J. S. Duncan to W. A. Mather, president, Canadian Pacific Railway, June 11, 1953.
135 Ibid. and draft letter, J. S. Duncan, June 4, 1953.
136 DP, box 18, file 173, Duncan to Dunning, February 4, 1954.
group’s sense of mission. Other factors also played a role. A personal conflict between Jackson and the Council’s secretary appears to have hastened the final decision to dissolve the organization.\textsuperscript{138} Also, business-related conflict emerged as the Council was wound up in 1956: Eric Phillips – as a member of the Argus group alongside E. P. Taylor – aligned with American investors to force fellow Council member and former chairman, James Duncan, from the presidency of Massey-Ferguson.\textsuperscript{139} However, division and dissolution was not pervasive. At least a few Council members, including the group’s chairman H. G. Hilton, Alcan president R. E. Powell, and Canadian Bank of Commerce chairman James Stewart, transferred their leftover contributions in the Council’s coffers to the Canadian-American Committee, an internal membership committee of the Private Planning Association of Canada; this Canadian-American organization would sponsor studies on “global trade liberalization” throughout the 1960s before being merged with the C. D. Howe Memorial Foundation in 1973 to become the C. D. Howe Institute.\textsuperscript{140} When the Council disbanded, the majority agreed that the group should “continue to get together three or four times a year” for informal meetings.\textsuperscript{141} The CCIR thus linked forward beyond its formal existence.

Jackson’s ongoing work on wages, productivity, and inflation also gained purchase. During the mid-twentieth century, at a time when organized labour enjoyed considerable strength, Jackson warned against the economic perils of high wage rates, writing during the 1950 railway strike that “the more successful the demands of organized labour for increased wages, the more inexorably must the cost of living rise.”\textsuperscript{142} Inflation, Jackson argued, was a tax upon the community born of the excessive demands (and power) of organized labour.\textsuperscript{143}


\textsuperscript{141} DP, box 19, file 179, Hilton to Members of the Canadian Council for Economic Studies, May 18, 1956.


\textsuperscript{143} See, for example, DP, box 39, file 331, Gilbert Jackson, “Whither the Rate of Interest?” \textit{The Commerce Journal} (February 1957); “It is tragic to reflect that the defenceless victims of inflation – the pensioners and annuitants, widows and others living on income from trustee securities, owners of insurance policies which are in large part, or wholly backed by securities yielding a fixed income – these are for the most part ‘old folk’; and that with each passing year, victims constitute an increasing percentage of our population.” Jackson later describes the source of the inflationary pressure: “For apart and distinct from the successive inflationary pressures originating in the market for capital funds, which we must expect from henceforth, there is present among us almost continuously, the pressure of Organised Labour for larger annual rates of increase, in productivity per man hour.” See also Gilbert Jackson, \textit{Wage Rates and the Growth of Output Per Man Hour: More Thoughts in a Time of Transition} (Toronto, June 1953).
The *Globe and Mail* credited him as perhaps the first economist in Canada to argue “that wage increases for labor could not and should not outstrip increases in productivity.” His writings on wages and productivity had, the *Globe and Mail* declared after Jackson’s death in 1959, become “standard references in the field [of economics],” and his views on inflation were “gaining wide acceptance in business and finance.” He “preached a rugged individualism in economic and public affairs, which left its mark on the political economy of the nation,” having been “one of the most influential men in Canada, although the nature of his work and his own personality left him relatively unknown.”

While growing public anxiety over American influence in the Canadian economy coalesced into a left-nationalism during the 1960s and 1970s that would pose new political challenges to Jackson’s ideology, he conceived of his task as one that would take “at least one or two generations” to accomplish. Jackson’s activism does indeed appear rather more successful over the *longue durée* of the twentieth century, and his activities demonstrate continuity in business activism and free-market ideals that has not been fully recognized.

VII

The role of the CCIR in supporting Jackson’s work has passed unacknowledged, if not entirely unknown, by historians. Jackson’s close connections with many of the country’s most powerful capitalist interests reveal the decidedly political nature of his work with the CCIR, a group that Jackson himself described as “a very delicate experiment in the public relations of large scale enterprise.”

In the 1930s Canadian big business waged its political defence of capitalism and liberal individualism directly and in public, as conservative business leaders such as Edward Beatty and *Globe and Mail* president and publisher C. George McCullagh made direct – but ultimately ineffective – appeals to politicians and the public. Canadian business executives moved their political activism to the more secretive private sphere in the 1940s through the CCIR. Rather than Committee members appearing before the public as advocates of their ideas, Gilbert Jackson served as their public face: allowing Jackson to speak for them, the membership of the CCIR harnessed an expert credibility that would have been otherwise unattainable, especially at a moment when the legitimacy of big business remained low. This maintenance of secrecy was so successful that, when W.

146 DP, box 25, file 224, Jackson to Dunning, June 12, 1946.
147 For Beatty, see Nerbas, “The Politics of Capital,” pp. 190-260 and passim; for McCullagh, see Brian J. Young, “C. George McCullagh and the Leadership League,” *Canadian Historical Review*, vol. 47, no. 3 (September 1966), pp. 201-266.
W. Goforth travelled to the United States in 1953 to meet with representatives of business think tanks that included representatives from the Brookings Institution and the Committee for Economic Development, the people with whom he met “were surprised that the Canadian Council has been able to remain a private body, ... [and] [t]hey envied the closer ‘family atmosphere’ which we can achieve in a much smaller country and which has enabled such a private study group as the Canadian Council to function.”

This new politics of big business, however, also enhanced the importance and autonomy of the intellectual in the business community’s efforts to mobilize. Jackson was less a straightforward spokesperson for big business as a partner by virtue of a coalescence of ideological and political aims. Indeed, as with his efforts to convince J. Stanley McLean of the correctness of the CCIR’s strategies and aims, Jackson believed his role was to broaden the perspective of businesspeople to make clearer the fault lines of ideological battle. The result was a new type of elite politics, more opaque and dependent upon “expertise” and less focused upon politicians and political parties than before. This study suggests that the straightforward economic interests of big business can only partially explain its politics and relationship to the broader realignments of the political right after the Second World War. The expert-intellectual’s capacities to build networks, produce knowledge, and frame public debate conceivably served as powerful tools that altered the architecture of business activism. Gilbert Jackson wielded those tools with considerable autonomy in defence of capitalism and economic liberalism. The result was a form of politics that shared much in common with the contemporaneous activism of self-conscious neoliberals, including a deep wariness of the supposed “pathologies of democracy.”

Privileging economic freedom over political freedom, Jackson and the CCIR viewed the management of democracy as a duty necessary to sustain the moral order of the market, signalling an important development in elite political mobilization and its relationship to the public sphere during a critical moment in the middle years of the twentieth century.