

# The Liberal Corporatist Ideas of Mackenzie King

Reginald Whitaker

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# *THE LIBERAL CORPORATIST IDEAS OF MACKENZIE KING*

by Reginald Whitaker  
Carleton University

In 1904 the young deputy minister of labour, William Lyon Mackenzie King, was reading Sir John Willison's biography of the Prime Minister, Sir Wilfrid Laurier. King noticed that after Laurier had become Liberal leader in the late 1880s, his speeches lost all originality and became mere repetition of the ideas of his youth. "This is perhaps inevitable," King reflected, "once launched as a leader the day for gaining intellectual capital is past." Characteristically, King drew a personal moral: "I must learn this, I must learn now is the time to become prepared or the day will pass and the opportunity not be known."<sup>1</sup> Fifteen years later, King became Laurier's successor as Liberal leader, and his own time for intellectual capital accumulation was past. His subsequent record as Canada's most successful politician has tended to obscure from view the early King, whose general reputation among contemporaries was that of a bright young man with advanced ideas.

Political biographers may argue about King's personality, but quite apart from this is an interest in what King did and said in these early years of "gaining intellectual capital". More than twenty years ago Ferns and Ostry, in a pioneering attempt to uncover the ideological thread which underlay his early activities, came to hostile yet strangely respectful conclusions.<sup>2</sup> More recently the suggestion has

<sup>1</sup>Public Archives of Canada, William Lyon Mackenzie King Papers, Diary, 21 February 1904.

<sup>2</sup>Henry Ferns and Bernard Ostry, *The Age of Mackenzie King* (1955; new edition, Toronto 1976).

been made that King's ideas as embodied in his book *Industry and Humanity* (1918) should be taken more seriously than they have been, given the early and rather prophetic appearance of concepts of government-business-labour relations which are close to the currently fashionable notions of corporatism in advanced liberal democracies.<sup>3</sup> It is in connection with this attempt by King to work out certain innovative concepts of class harmonization and the integration of interest groups into liberal democratic structures that his work and ideas take on a contemporary relevance.

One must avoid the opposite trap of taking King's ideas too seriously. It would be preposterous to claim that Mackenzie King is a hitherto undiscovered Machiavelli of industrial politics or, even with the opening of his voluminous confessions, a Rousseau *manqué*. Yet a case can be made that King was acutely sensitive to the currents of thought and sentiment of the age in which he was formed, that he had a deep sense of the enormity, if not the exact meaning, of the malaise of industrial capitalism facing class conflict, and that his attempts to resolve the material contradictions on the ideological plane reveal some of the basic processes at work in advanced liberal democracies. That he was lacking in true originality of mind is thus an observation of secondary significance. King is interesting more for what he reflected, in sharp focus, than for what he himself generated.

Any attempt to make Mackenzie King's mind a unified and harmonious whole is akin to squaring the circle. King reflected the contradictions of the world into which he was born on many levels. King lived these contradictions out in the form of a "very double life", King's own revealing phrase chosen by C. P. Stacey as the title of his recent biography.<sup>4</sup> The man who would become famous for the

<sup>3</sup>See my review of the 1973 reprint of *Industry and Humanity* in the *Canadian Journal of Political Science*, 7 (March 1974), pp. 166-7; K.J. Rea and J.T. McLeod, *Business and Government in Canada* (Toronto, 2nd ed., 1976), p. 340; Leo Panitch, "The Development of Corporatism in Liberal Democracies", *Comparative Political Studies*, 10 (April 1977), pp. 61-90 and "The Role and Nature of the Canadian State", in Panitch, ed. *The Canadian State: Political Economy and Political Power* (Toronto 1977); my article, "Images of the State in Canada", in Panitch, *Canadian State*; Jack McLeod, "The Free Enterprise Dodo is no Phoenix", *Canadian Forum*, 56 (August 1976), pp. 6-13.

<sup>4</sup>C.P. Stacey, *A Very Double Life: The Private World of Mackenzie King* (Toronto 1976). See also my own, rather different, approach to the problem of contradiction in King's personality, "Mackenzie King in the Dominion of the Dead", *Canadian Forum*, 55 (February 1976), pp. 6-11.

formula, "Conscription if necessary, but not necessarily Conscription", was already so famous at the University of Toronto during the student strike of 1895 that he was immortalized in a *Varsity* cartoon depicting him as the King of Clubs, calling out "let us boycott lectures" on the one side and "let us return to lectures" on the other.<sup>5</sup> This political ambiguity was not merely studied, it was instinctive. King without contradiction would be like Canada without conflict. Thus young King could never quite make up his mind whether he was a conservative or a radical, an economist or a spiritualist, a teacher or a preacher, an academic or a bureaucrat, a thinker or a doer. He finally, and with conspicuous success, settled for the profession which utilized other men's weaknesses and contradictions as its very currency: he became a politician.

A second point to be remembered is King's social origins. His own exaggerated sense of lineage stemming from his grandfather William Lyon Mackenzie, the rebel of 1837, often bordered on the grotesque. Yet King did not in fact have the social position to which he felt entitled. His family was neither particularly wealthy nor especially prestigious in the eyes of high society or the corporate boardrooms of St. James and Bay Street. Indeed the King family was something of a classic case of small town gentility swamped by the rising tide of new money which came with the industrialization of the country in the late nineteenth century. He was thus the type which Richard Hofstadter identified as the "Progressive" man of that era in the United States.<sup>6</sup> And in a fashion similar to many young men of the Progressive era, King moved upward through the professions, as a member of the "new middle class". Although his family connections did give him some help at certain points, particularly in introducing him to Sir William Mulock who was later to invite him to Ottawa as editor of the *Labour Gazette*, they were distinctly secondary to his own attainments and skills in self-advancement. In the vast confrontation which he saw taking shape between the wealth and power of capitalism and the desperate force of numbers of the side of the dispossessed working class, the middle class intellectual like King

<sup>5</sup>Diary, 22 February 1895.

<sup>6</sup>Richard Hofstadter, *The Age of Reform* (New York 1955), pp. 131-73. The question of King's relationship to the American Progressives has been perceptively explored by Keith Cassidy in a paper delivered at the Mackenzie King Centennial Colloquium, University of Waterloo, December, 1974. My thanks to Prof. Cassidy for providing me with a draft copy of this paper. On the new middle class see also Wiebe, *The Search for Order 1877-1920* (New York 1967), pp. 111-32.

had everything to lose and little to gain. The only resources of the intellectuals in this confrontation were, as Christopher Lasch has put it, "argument and exposition"; they thus had a "class interest in nonviolence for its own sake." The solution was to substitute education for force, which as Lasch suggests, "sometimes seemed only to rationalize a crude will to power on the part of the intellectuals themselves."<sup>7</sup> It is thus not very surprising to find King in 1906 quoting with approval his late bureaucratic colleague, and youthful soulmate, Bert Harper, to the effect that

the true rulers of the nation are outside of our parliaments and our law courts, and that the safety of society lies in informing those who form public opinion . . . The poor downtrodden have more to hope from men who, having a specialized training in the operation of social forces, apply themselves to the proper remedy, than from all the windy, ultra-radical demagogues.<sup>8</sup>

What exactly was the "specialized training in the operation of social forces" which King acquired in his university days? The University of Toronto in the 1890s was not a source of many of King's ideas. A few professors made some impression on him. The most significant was James Ashley, Professor of Political Economy, who resigned the year after King arrived to take up a position at Harvard, where King eventually followed. Ashley was a critic of many accepted tendencies of classical political economy, who had attacked much laissez faire dogma as a rationalization of injustice and an insult to the working man. Ashley represented a trend in economic science which had begun in Germany and was gathering strength in the United States at this time: a shift away from the abstract deductive method to an historical, statistical, and inductive method of analysis. This school looked to public policy supported by facts rather than theory, and in Germany it had gone hand in hand with a much more *étatiste* approach to economics than English liberalism had allowed. Goodwin credits Ashley with founding the Toronto tradition of integrating economics with history and political science, later to be so characteristic of the Political Economy Department under Harold Innis.<sup>9</sup> In Germany the historical school had been associated with a deeply reformist, sometimes outrightly socialist, strain in which the gathering of facts led directly to recommendations for reform without

<sup>7</sup>Christopher Lasch, *The New Radicalism in America, 1889-1963: The Intellectual as a Social Type* (New York 1965), p. 169.

<sup>8</sup>King, *The Secret of Heroism* (Toronto 1906), p. 114.

<sup>9</sup>Craufurd D.W. Goodwin, *Canadian Economic Thought: the Political Economy of a Developing Nation 1814-1914* (Durham, N.C., 1961), pp. 160-1, 176-7.

much theoretical mediation.<sup>10</sup> In its transmutation into the American institutionalist school by which King was to be much influenced, this strongly reformist strain was watered down considerably, but left its mark nonetheless.

The most significant impact on young King while at Toronto did not come from the lecture halls but from his discovery of the writings of an English economist and social reformer of the previous decade. Arnold Toynbee the elder, who had died at an early age after a brief but illustrious career as an economic historian, a lecturer in working men's educational associations, and a founder of a social settlement for the poor, Toynbee Hall, bowled King over by his ideas and the example of his life. Upon reading Toynbee's *Industrial Revolution in England* in the summer of 1894, King confessed in his diary that "I was simply enraptured by his writings and believe I have at last found a model for my future work in life."<sup>11</sup> Toynbee was a liberal critic of laissez faire who wanted a humanized or moralized political economy which would retain the market and individualism but with a dedication to Christian duty impelling capitalism toward more moderate redistribution of resources to the poor. To Toynbee the historical method of economic analysis revealed the injustices which capitalism had created during the Industrial Revolution. The exposure of exploitation and injustice would serve to arouse public opinion to push toward reform. In industry, Toynbee looked to the extension of joint boards of conciliation seating owners and workers together as the means of bringing about class harmony and co-operation.<sup>12</sup> It was above all the application of Christian sentiment to the problems of economics that attracted King to Toynbee. Unswerving in his fundamental belief in Christianity, King was obsessed by the problem of evil in a world created by a God of love. The undeniable existence of misery and exploitation in the material world never led to a crisis of religious faith, but rather to a crisis of secular belief in the accepted verities of bourgeois society. Thus a figure like Toynbee who had attempted to Christianize capitalist economics, both in academic work and in personal life, was precisely the model for which King was striving. The crucial point is that at this stage in his development it

<sup>10</sup>Joseph Schumpeter, *History of Economic Analysis* (New York 1954), pp. 800-24.

<sup>11</sup>Diary, 11 July 1894.

<sup>12</sup>Arnold Toynbee, *Lectures on the Industrial Revolution in England, Popular Addresses, Notes and Other Fragments* (1884; new edition, New York 1969), with introduction by T.S. Ashton. On Toynbee see also Melvin Richter, *The Politics of Conscience: T.H. Green and His Age* (London 1964).

was not mystical otherworldly solutions which appealed to him but rather secular resolutions of the material problems of Christian capitalist civilization, which he saw as the working out of God's will in the material world, with a little help from worthy young middle class reformers imbued with both a moral conscience and technical knowledge of how the capitalist market actually operated. Toynbee remained a dominating influence on King's mind. Over twenty years later when he was working on *Industry and Humanity*, he once again returned to "the finest influence on my life" and "derived much amusement from the attack Toynbee made on Ricardo."<sup>13</sup>

When King went to the University of Chicago to pursue graduate studies, it was with a Toynbeean double purpose in mind: academic advancement in the understanding of political economy and involvement in the Hull House social settlement founded by Jane Addams. The major intellectual influence he felt at Chicago was that of Thorstein Veblen, whose lectures on socialism King pronounced "the best I have ever listened to". Indeed, King concluded that Veblen's course "has influenced me greatly. I believe that Socialistic tendencies are coming to be the prevailing ones." It is not altogether clear in retrospect just where Veblen stood with regard to socialism, although he was, of course, the most mordant and biting critic of the mores of the American bourgeoisie. Certainly he was the most penetrating commentator on Marxist thought at this time in the English speaking world. Veblen understood and respected Marx at a time when there was general ignorance in the Anglo-American academic world of the spectre haunting the European continent. King had to read Marx's *Capital* as part of Veblen's course. He found the early sections on use value and exchange value very difficult reading — it took him two hours to cover 26 pages — but eventually he found it "very logical after getting into it". Engel's *Socialism, Utopian and Scientific* elicited the following tribute: "there is much in it. There is something about Socialism which interests me deeply — there is truth in it — it is full of truth, yet much that is strange and obscure."<sup>14</sup> It is in the last phrase, "much that is strange and obscure", that we glimpse the real reason for King's ultimate lack of interest in Marxism. The barrier was essen-

<sup>13</sup>Diary, 27-29 June, 1916.

<sup>14</sup>Diary, 12 May and 18 June, 1897. Veblen's article, "The Socialist Economies of Karl Marx and His Followers", *Quarterly Journal of Economics*, 20 (1905-6), p. 575 and 21 (1906-7), p. 299, demonstrated a perceptive grasp of the Hegelian foundations of Marx's thought and of the limitations of the mechanistic determinism of post-Marx Marxists who had

tially a cultural one: materialist explanations of the world could draw King's attention only to a point, but when they went so far as to offer an alternative *Weltanschauung* to Christian idealism, King simply lost his intellectual moorings. In fact, after Veblen's course, King never returned to the writings of Marx and Engels, and there is no evidence of any lasting impact of this reading on his thought. Nor, for that matter, did he ever return to Veblen's own writings: perhaps the cynicism and irony of that great critic of American civilization were equally alien to King's earnest moralizing taste, despite the undoubted effect of his brutal rationality on the impressionable young student.

King had already developed some familiarity with socialist politics at a practical level, through contacts with the Socialist Labour Party and other working class militants in Toronto. Indeed, the student strike at the University of Toronto in which King played a leading role, was precipitated by the refusal of the administration to allow socialist speakers on the campus. Through his work at Hull House, he developed some first hand knowledge of the social conditions in the working class slums of industrial Chicago. As a reporter for the *Mail and Empire* in the summer of 1897, he investigated sweat shop conditions in Toronto and wrote muckraking exposés. Thus while still a student he had gained both theoretical and practical knowledge of socialism and the social conditions of the working class. Out of this background he developed a genuine social conscience, but one which was quite different from the kind of social democratic commitment which J. S. Woodsworth would develop out of a much closer familiarity with the conditions of poverty and misery spawned by industrial capitalism.

What King's early studies and observations did provide him with was a fairly sensitive understanding of the potential power of an aroused industrial working class. Late in 1897 he was writing in his diary that "I fear revolution in the country yet, another 1793 as in France — growing Democracy vs. growing Wealth and tyranny of rings and combines. A few very rich and the many very poor."<sup>15</sup> The fear of revolution was, of course, never far from the excited minds of

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distorted the teachings of their master. O.D. Skelton, himself an intelligent critic of Marxism, cited Veblen as "The most objective and clear-sighted student of Socialism." Skelton, *Socialism, A Critical Analysis* (Boston 1911), p. 249. King's copious notes on Veblen's lectures can be found in the King papers. See also Diary, 21-28 May 1897, 13 August 1897.

<sup>15</sup>Diary, 3 November 1897.



the possessors of wealth themselves. It was not King's fear of revolution which demonstrated any particular perspicacity, but rather his conviction of how to avoid the eventuality which showed some insight into the social forces at work. Even if his reading of Marx had left him with little concrete appreciation of the revolutionary dialectic of capitalist class structures, he understood one crucial weakness in Marxist thought, the problem of class consciousness. King, idealist that he was, knew that all the material mechanisms of history could not serve automatically to bring about the rise of revolutionary class consciousness on the part of the proletariat. The instinctive resort of reactionaries threatened by revolution — repression — was not much to King's taste, since it left someone like himself with little role to play. Instead, from the beginning, one can discern in King a growing conceptualization of a mediating role between rich and poor, capitalist and worker, in which technical knowledge and skill at *ideological* manipulation of the consciousness of both sides become valuable resources.

It was Harvard University which provided him with his greatest intellectual stimulation, and it was Harvard which reciprocated with the greatest recognition of his abilities. Already King had published some articles and book reviews in the *Journal of Political Economy*, edited by Veblen (factual historical accounts of trade union organization in the United States which read as rather dull, uninspired, although careful compilations).<sup>16</sup> But he never did acquire a degree from Chicago, an institution about which he entertained somewhat mixed feelings. At Harvard, on the other hand, King found himself very much at home. The most important influence on him there, along with Ashley from Toronto, was Frank Taussig, leading American economist and always a great example and guide to his students. Taussig was something of a transitional figure between the older classical political economy and the newer doctrines making their way from the continent. In 1896 Taussig published an examination of the celebrated wages fund doctrine which had animated political economy for some time, and King spent much effort as Taussig's student puzzling over the intricacies of the controversy. The moral which King eventually drew from Taussig's discussion was the eminently orthodox one that labour is dependent upon capital for production, that labour is thus dependent upon a "wages fund . . . which is in the hands of the capitalist class. Their money income is derived from

<sup>16</sup>"Trade-Union Organization In the United States", *Journal Of Political Economy*, 50, pp. 201-15; "The International Typographical Union", *Ibid* ., pp. 458-84.

what the capitalists find it profitable to turn over to them."<sup>17</sup> This soundly conservative lesson of classical political economy was one which King maintained throughout the rest of his career, and was a fundamental weapon in his intellectual armoury against socialism. Reinforced by his reading at Harvard of the classics — Adam Smith, Ricardo, Malthus, J. S. Mill, Cairnes, Jevons, Bohm-Bawerk, and Marshall — King developed a firm belief in the legitimacy of profit as a return to a necessary factor of production, thus further distinguishing him from Marx's thought. On the other hand, King often enough permitted himself to question the *distribution* of wealth in contemporary capitalism, expressing his doubts "as to the advantages of great accumulations of capital. I cannot see why smaller accumulations in the hands of a number should not have as good an effect, if not better on Industry."<sup>18</sup> Obviously, King never altogether lost the traditions of *petit bourgeois* protest which his grandfather had championed.

An important event to King was the arrival at Harvard of Archdeacon William Cunningham of Cambridge as a visiting lecturer on the industrial revolution. In Cunningham's lectures King caught some of the inspiration he had derived from Toynbee, and for much the same reason. Cunningham was interested in an empirical analysis of the origins and significance of the industrial revolution, the single modern development which fascinated King most deeply, and he was a Christian who devoted considerable attention to the relationship between political economy as a science and the moral imperatives of religion. King respectfully termed Cunningham a "Christian economist", and went on with a flattering comparison: "the Harvard men present the Utilitarian point of view most strongly. Taussig is a strong Utilitarian. Cunningham shows Christianity necessary for complete view."<sup>19</sup> As with Toynbee, Cunningham was once again consulted with pleasure when King was composing *Industry and Humanity* some twenty years later.

The absorption with writers like Toynbee and Cunningham point to one of the keys to King's thought. King was a dualist, whose perception of a fundamental contradiction between his material existence and his idealist strivings was so acute, indeed so extreme, as to

<sup>17</sup>F.W. Taussig, *Wages and Capital, An Examination Of the Wages Fund Doctrine*, (London 1896), pp. 319-25. On Taussig, see Schumpeter, *History Of Economic Analysis*, pp. 870-1. Diary, 5 December 1898.

<sup>18</sup>Diary, 19 January 1898.

<sup>19</sup>Diary, 18 March 1899. For Cunningham's discussion of economics and religion see his *Christianity and Economic Science* (London 1914).

create a permanent tension in his emotional as well as in his intellectual life. His ability to play the very practical game of politics, with persistent success and indefatigable enthusiasm for so long a career, is evidence of more than mere toleration of the secular world. Yet his diary bears interminable witness to his obsession with things spiritual, an obsession which was later to grow into a broad mystic streak with the attendant trappings of occultism and personal oddities. What we see is a young man torn by profound religious strivings and tormented by the problem of how the spiritual world can be reconciled to the sinful material world. As a product of the post-Darwinian generation, King refused to be drawn into reactionary or obscurantist defences of an outmoded world view. Huxley's lectures on evolution he approved unreservedly, and he greatly admired Henry Drummond, a popularizer of Darwinism of somewhat dubious authenticity, who had argued that evolution was teleological process pointing toward the ultimate perfection of God, with altruism and charity incorporated into the struggle for survival. Drummond's attempts to discover a natural basis for morality struck a responsive chord in King, who remained rather uncritical of the suspect basis of the popularization. When King wrote in his diary that natural law and spiritual truth must be the same, that "all life must be under the one law, it appears to be so, the more we see of the universe and understand of man the more we see the unity of all things, a one underlying will, a supreme Intelligence directing all things in accordance with invariable law"; we perhaps see more the hand of wishful thinking and yearning faith than of a rational philosophical foundation.<sup>20</sup>

It is difficult to take King's pseudo-philosophical strivings seriously. Nor is it surprising that in later life he should have fallen into outright occultism. Not content to be simply a mystic by night and a practical politician by day, but lacking a firm foundation for reconciling the two worlds, it was perhaps inevitable that to preserve his faith he would end by finding "evidence" of the penetration of the material by the spiritual in séances with the dearly departed and the interpretation of coincidences of every day life as "signs". The point here is that this faith in the underlying unity of the material and spiritual, in the essential order and pattern in the material world which could be discovered by human science but which was founded in a divine purpose which itself transcended the material world, was the basis upon which King built his political and economic ideas.

<sup>20</sup>Diary, 23 March, 11 November 1898; 15 January 1899. On Drummond and other popularizers of Darwinian 'ethics', see Richard Hofstadter, *Social Darwinism In American Thought* (2nd ed., New York 1955), pp. 85-104.

King capped his academic career with a travelling fellowship from Harvard which he used to visit England, France and Germany at the turn of the century. The most interesting observation about King's European trip is what it revealed of his evolving social and political philosophy, in particular his growing alienation from the doctrines and practice of socialism with which he had earlier flirted. Already at Harvard his classical economic training reinforced a hardening personal conservatism. When he met Eugene Debs in 1898 he felt contemptuous of the Socialist leader's lack of a "trained mind", even if his heart were in the right place. When on the same day he received a letter from Debs and from a wealthy Canadian friend of the family, he mused significantly in his diary: "A labour agitator and a millionaire. To know both and understand their interests, sympathies and points of view. This is well." A little later he wrote flatly that "I am becoming more conservative and less a believer in radicalism." His reading of Spencer and other social Darwinists confirmed his belief in the individualist basis of human progress and the view of socialism as a hopeless flying in the face of the law of survival of the fittest. The evidence of political corruption in the United States unearthed by the muckraking journalists did not so much add to King's reformist zeal as deepen his conservatism:

I never read this sort of thing but I see the end of all schemes of self-government such as Socialism presents, till the heart of man and his morality has changed, external changes whatever they be will neither end corruption nor misery. I find myself becoming ever stronger against government action, except for making restrictions, regulations, etc., chiefly because of the deteriorating effect it tends to have on human character, giving wider scope for favouritism leading to idleness etc., in those employed, and a favouring sycophancy on the part of those seeking it.<sup>21</sup>

In England his deepening dislike of socialism was confirmed. He called on the Webbs and was adopted by them for a time, being brought along to Fabian meetings and to lectures at the London School of Economics. The Fabians as a group appeared to the increasingly ambitious King as being "rather on the edge of things as it were." The Bohemian element in the Fabian society, especially among the women, predictably enough disgusted him; they were, he wrote with a misplaced colonial snobbery worthy of Vincent Massey, simply the wrong "sort of people", lacking in the proper social manners and refined education. "There is a sort of 'soreheadedness'

<sup>21</sup>Diary, 27 October, 1 November, 8 December 1898; 26-27 January, 28 February, 19 April, 26 June, 5 and 11 July 1899.

among a good many of this sort, a soreheadedness arising from some misfortune in their own lot or because others have failed to sufficiently recognize them."<sup>22</sup>

Just as his disillusionment with socialism was waxing, he discovered the co-operative movement in England, which pleased him greatly. Co-operation as a channel for working class energies did not directly challenge capitalism, but rather saw itself as a parallel movement for workers' ownership. To labour militants it was simply class collaboration. Certainly it was designed to appeal to King's distinctly *petit bourgeois* instincts since it suggested a means whereby workers might develop a small "share" in the existing system of private property. Most of all, King liked the anti-statist and pro-business elements of co-operative philosophy: "Co-operation has in it all the virtues claimed for Socialism, without its defects; it is individualistic, all self help, self initiative, and self dependence, no government protection. I am greatly taken with the movement as the best thing seen yet to put the working classes on a high level, to make them good citizens and men, and to raise them above the plane of industrial strife which destroys and enslaves." The co-operators, in short, had a "wider view" than socialists — they saw things from the capitalist as well as from the labour side.<sup>23</sup> Although King never maintained any deep interest in or connections with the co-operative movement, and certainly did nothing as a political leader in Canada to further the aims of a flourishing co-operative movement centered in the farm population, the spirit in which he praised what he saw of the movement in England is very revealing of his basic concept of class co-operation in capitalist society. As a different level of economic and political structures, the concept of co-operation applied to class relations was to be a crucial element in *Industry and Humanity*.

The turn away from socialism, with its attendant indifference to the possibility of any type of positive state intervention in the productive process, finds a parallel in the kind of reading which King followed after his college days were ended. As editor of the *Labour Gazette* and deputy minister of the newly formed department of labour, King immersed himself in the literature on labour relations mainly of the factual, descriptive and policy-oriented type characteristic of government reports and institutional-oriented academic monographs. This was precisely the kind of economics which had most appealed to him as a student. On the other hand his interest in theoretical work in political economy waned directly with the lifting

<sup>22</sup>Diary, 18 October 1899; 2-3 and 22 January 1900.

<sup>23</sup>Diary, 27 January 1900.

of the enforced discipline of university courses.

At this same period one also notices from King's diaries a waxing interest in the spiritual and inspirational type of literature. As always with King, he showed a certain lack of discrimination in this regard and took some works seriously which no one with any taste or intelligence ought to have wasted time on. But he also found value in some more significant writers as well. Chief among these were the Victorian critics of materialism. Ruskin he had been familiar with from his youth. Then in the early years of the new century he discovered the works of Matthew Arnold and Thomas Carlyle. Arnold's attack on middle class philistinism, *Culture and Anarchy*, he much appreciated despite the fact that some of Arnold's targets might have been uncomfortably close to home. Arnold's poetry struck him with the force of revelation. The sense of faith under attack by materialism and of the apparent chaos of the industrial world were emotionally akin to King's own state of mind:

And we are here as on a darkling plain  
Swept with confused alarms of struggle and flight  
Where ignorant armies clash by night.

From Arnold he derived a kind of crude Hegelian notion that the religious ends of life were immanent in historical and material forces. Thus he interpreted the labour movement as "the effort of the great mass of the people to realize the capacities of their natures, to fulfil the end of their being. The evidences of the order of the universe being goodness and truth, as seen by the impossibility of having public opinion favour a known wrong, etc."<sup>24</sup> Carlyle, the author of *Heroes, Hero-Worship and the Heroic in History*, and the great advocate of a return to the paternalism of feudal institutions as a way out of industrial class conflict, was to King "in his rugged, earnest, honest, truthful way . . . the greatest soul the British Isles have yet produced." Carlyle's *Past and Present* impressed him with its spiritual fervour and its emphasis on the work ethic.<sup>25</sup> It was presumably the emotive, thunderous prose, the powerful sentimentality of Carlyle to which King responded, and not to any specific proposals which were largely wanting in Carlyle's works.

His admiration for Carlyle reveals the profound social and cultural conservatism of King. While his interest in the mechanisms of the material world, and in specific solutions to disequilibrium in these

<sup>24</sup>Diary, 7-8 September, 15-16 October 1901. The verse quotation is from Arnold's 'Dover Beach'.

<sup>25</sup>Diary, 10 January 1901; 6 April 1908.

mechanisms made him a liberal, as did his populist heritage from his grandfather's tradition of protest against privilege and aristocracy, he was in his personal and social life a fierce defender of the status quo and the conventional wisdom — which often enough meant the conventional hypocrisies. King was quite aware of the ambiguity in his mind and attempted to resolve it by means of tidy definitions of liberalism and conservatism:<sup>26</sup>

A Toryism which will conserve law and order and institutions that have helped to maintain society on a stable foundation, as, for example, the sanctity of marriage; of the home; of a day in seven for rest, etc. etc., is a Conservatism in which I believe and which is much needed in our time. The maintenance of privilege against all sense of rights is Toryism. There is a big distinction . . . Privilege is always blind and will never make way for justice save by some force which will overthrow it; that is why I hate Toryism with all my heart.

Reading Willison's biography of Laurier moved King to the following philosophic speculation:<sup>27</sup>

Human nature has two directions — one self that distrusts itself, seeks refuge in tradition, authority and control from without, and the self that believes in itself and the nature of its creation, loves freedom, liberty, and the right to follow an inner vision wheresoever it leads. The former is naturally Conservative and hates change; the latter is by nature radical and seeks progress. The fault through excess of the one is bigotry, prejudice and oppression, of the other, license and revolution. As forces controlling each other each plays a useful part, of active forces in the cause of Humanity Liberalism is the best.

Christianity made King a natural conservative; the optimistic temper of his theology made him a liberal. Both wedded him inexorably to the world as it was, whether as the cultural traditionalist or as the midwife of the logic of God's design in history.

If King defined himself in old-fashioned terms of political philosophy, his liberalism differed in one striking particular from that of Laurier and the old party which he was about to inherit. In discussing labour policy with the Prime Minister one day, the young deputy minister sadly concluded that Laurier had little basic sympathy for the working class: "I think he is strong in his antagonism to race and religious differences, but not so in class differences (that must be the next great stratum of political foundations)". Even the primordial Canadian schism between English and French was to King a more ambiguous and complex relationship than it might appear. When

<sup>26</sup>Typescript diary, 25 April 1915.

<sup>27</sup>Typescript diary, 18 February 1914.

Lord Milnor asked him about English-French conflict in Montreal, King impatiently dismissed the "old story": "I explained that this was largely because some of the social people in Montreal had made money rapidly, and the French not being as wealthy, the division had become one of wealth rather than of race, though to appearance it might seem a racial difference."<sup>28</sup> King was, of course, later to demonstrate an acute sensitivity to ethnic and cultural politics, but his understanding of the economic and class aspects to political conflict distinguished him sharply from fellow Liberals who lived more in the nineteenth than in the rapidly industrializing twentieth century with its growing class divisions and politicization of class conflicts. It was this understanding which gave King a special touch of modernity which other Liberals lacked.

Some of the ambiguities surrounding King's concept of labour and its place in the capitalist political economy were clarified when he settled down to the job of creating Canada's federal labour policies as deputy minister and minister of labour from 1900 to 1911. This is not the place to review King's role as labour mediator or the shape which the new department took under King's direction.<sup>29</sup> What is significant is the ideology which his actions embodied. King's activities and his reflections about his activities all point to one supreme central tenet in his conception of the role of the state in labour relations: industrial "peace" at all costs. It is scarcely an exaggeration to suggest that to King a work stoppage was a sin against the holy ghost. When his beloved mother lay on her death bed in 1917, King earnestly attempted to comfort her for having produced a son "who has helped somewhat to improve conditions for labour and to avert some of the loss that comes through strikes and lockouts and other forms of industrial strife — loss of life possibly, loss of happiness certainly, and who can say what else!"<sup>30</sup> This extraordinary passion for preventing a single stutter in the hum of production may in part have stemmed from the perspective of a developing economy with a worship of economic growth even more unquestioning than today. But King's desire for peace at any price also derived very logically from the liberal philosophy which we have already traced in his intellectual development. There is an underlying order and harmony in the universe which reflects a divine harmonic design. Conflict in the material

<sup>28</sup>Diary, 12 February 1904; 11 April 1908.

<sup>29</sup>See Ferns and Ostry, *Age of Mackenzie King*, pp. 46-145; Jay Atherton, "The Department of Labour and Industrial Relations, 1900-1911", MA Thesis, Carleton University, 1972.

<sup>30</sup>Diary, 6 February 1917.



world is an impediment to the unfolding of this design. The resort to force deepens class consciousness and thus creates an escalation of violence which may end in reaction or revolution. The role of middle class reformers is to mediate between the two conflicting classes to restore the natural equilibrium in the political economy. Since there is no fundamental conflict of interest — both capital and labour are legitimate factors of production with their respective returns regulated by the market — conflict is essentially a problem of communication, of consciousness. Mediation between the two sides involves the manipulation of consciousness to cultivate the common ground and promote agreement. Mediation is therefore a *political* problem with political solutions.

The mechanisms of mediation, or conciliation as King preferred to call it, rested heavily on the idea of investigation and publicity. The state would intervene to collect the facts involved in an industrial dispute and publish them. As an early annual report of the department of labour claimed, the "knowledge that all such disputes and differences are made the subject of an official inquiry by the department, have had a decided influence in deterring parties from hasty action preliminary to a strike or lockout, and of helping to bring to a termination disputes which had already arisen."<sup>31</sup> The 1907 Industrial Disputes Investigation Act which King authored and which "firmly established the major principles that have underlain Canadian industrial disputes legislation", in the words of one labour relations expert, placed central stress on investigation, with the additional power of compulsory delay of work stoppages while investigation was proceeding. A tripartite Board of Conciliation and Investigation was empowered to bring down recommendations concerning what "ought and ought not to be done by the respective parties concerned."<sup>32</sup> The impact of this legislation was to establish the federal government in a position of direct intervention in labour relations which was far more extensive than that obtaining in the United States. Moreover, King, who believed that "machinery is nothing, personality everything," personally intervened in a surprisingly wide variety of labour disputes during this period.<sup>33</sup>

Stuart Jamieson, a scholarly and dispassionate student of labour relations, has concluded that many of King's interventions as deputy minister and minister of labour may have paradoxically bought short

<sup>31</sup>Quoted in Atherton, "Department Of Labour", p. 123.

<sup>32</sup>Stuart Jamieson, *Industrial Relations In Canada* (Toronto 1957), pp. 105-6.

<sup>33</sup>Diary, 2 January 1903.

term peace at the cost of exacerbating long term conflict, for the simple reason that organized workers were stymied in their demands and eventually broke out later with yet greater strength and militancy.<sup>34</sup> Indeed, the notion that the exposure of the 'facts' of labour disputes to the public will compel the two sides to agree is by now an antiquated relic of the past. Yet there is a larger sense in which King's legislative handiwork and his practice as a conciliator had a profound and long lasting impact of industrial relations in Canada. The central role of the Canadian state was established just when Britain was reducing the role of government in industrial relations. Later federal legislation, such as P.C. 1003 during World War II and the Industrial Relations and Disputes Investigation Act of 1948, as well as much provincial labour legislation, continued to embody this interventionist role of the state. The relative success rate of specific interventions within this legislative framework is perhaps less important than the fundamental acceptance by the labour movement of the state as a central actor in industrial relations. This implies a certain acquiescence on the part of labour in the image of the state's "neutrality" which King had been at such pains to cultivate.<sup>35</sup> Yet one does not have to probe very deeply to discover how mythical this "neutrality" is. That the state should intervene to seek continued production at all costs would inevitably reinforce capital in its struggle with labour. Even beyond this rather obvious point, King's activities may be seen as distinctly contrary to the most fundamental interests of the labour movement with which he claimed to sympathise.

In considering the anti-labour colouring of King's activities, it is important to note that King steadfastly refused to accept the basic industrial self-determination of workers: he refused to recognize their voluntarily chosen unions as having any necessary legitimacy in bargaining with their employers. Much of the labour unrest and industrial violence in this period stemmed from the refusal of owners to recognize unions as bargaining agents. The strike for union recognition was a relatively common occurrence, and King would have none of it. Here a basically paternalistic attitude comes to the surface of King's philosophy. To King there were legitimate unions and illegitimate unions, legitimate union leaders and illegitimate union leaders. The former were those who were willing to co-operate with capital and with the state; they were to be actively encouraged by

<sup>34</sup>*Times of Trouble: Labour Unrest and Industrial Conflict In Canada, 1900-66* (Ottawa 1968), pp. 70-1, and 112-21.

<sup>35</sup>See Bradley Rudin, "Mackenzie King and the Writing of Canada's (Anti) Labour Laws", *Canadian Dimension* (January 1972).

employers and by government and thus enhanced in the eyes of the workers. The latter were to be fought with every weapon at the concerted disposal of capital and the state. Strikes for union recognition were wholly illegitimate and must be stopped; collusion between government and the employers to foster company unions was altogether admirable and in the public interest. The alternative was to hand over the working class to the socialist and syndicalist agitators. King visited British Columbia on more than one occasion on missions of conciliation, and he was shocked by the very un-North American degree of labour militancy and socialist agitation in that province. "All of Canada can learn from B.C." he admonished, "the province speaks a note of warning in strongest terms against the dangers of a labour democracy. Industry will be fettered, and the source of wages and wealth left undeveloped, if change does not come. Where men without a stake rule those who have everything to lose, or at least to risk, the alarm is great."<sup>36</sup> King was out of the country while the Winnipeg General Strike was being contested in 1919, but while in the United States he was much frightened by the Seattle General Strike, which led him to comment:<sup>37</sup>

either the trade unions will have to become more conservative themselves, and be dealt with by employers, or . . . the labour movement will slip away from any kind of organized control and into the worst kind of revolutionary unrest. The Bolshevik movement has shown the need, where numbers of men are employed, of some form of organization and of some close contact between the leaders of such organizations and the business managers, in a way that will bring out the unity of the interests between them.

The Russian Revolution demonstrated the need for a "union of the organized forces of labour and capital, against a common enemy which menaces all human society".<sup>38</sup> Such a united front could only be made up of labour unions acceptable to capital, that is to say, company unions.

The exact nature of King's stance in relation to the labour movement appears in stark relief with his work as labour relations consultant to the Rockefeller empire during World War I. This page in King's career has been the cause of some embarrassment to his apologists, and even to King himself. The Rockefeller interlude was not, by any generous stretch of the imagination, an edifying or inspiring example of Mackenzie King's professed dedication to the working

<sup>36</sup>Diary, 19 November 1901.

<sup>37</sup>Typescript diary, 8 February 1919.

<sup>38</sup>Quoted in Ferns and Ostry, p. 310.

class or to liberal principles of fair play and equity. The bloody and tragic events of the Colorado coal "war", culminating in the infamous Ludlow massacre in which women and children were killed by troops, called forth one of the first major essays in corporate image building. This was an era when the robber barons of American capitalism generally took the position with regard to public opinion expressed by Cornelius Vanderbilt: "the public be damned." The Colorado affair was simply too much for moderate middle class opinion in the Progressive era. An official federal commission of investigation was headed by a populist who hated the Rockefellers and was intent upon bringing the wrath of an outraged citizenry down upon them. The Rockefellers responded in what has now become the classic behaviour of the capitalist corporation under fire — they sought to improve their public image. To this end John D. Rockefeller, Jr., hired Ivy Lee, a pioneer in the field of public relations and advertising, and Mackenzie King, a technical "expert" in labour relations. In accepting the Rockefeller post with alacrity, King demonstrated that as a middle class professional, his talents were for sale to the highest bidder, whether it was the public bureaucracy of the Canadian government or the private bureaucracy of the Rockefeller empire. He was, in truth, the kind of academically-trained technocrat who would willingly become the "servant of power".<sup>39</sup>

Two facts are particularly pertinent to King's role in this affair. First, the entire strife in the Colorado coalfields had been brought about by the company's refusal to recognise the United Mine Workers as bargaining agent for the employees, who were existing under abject conditions of subordination to a feudal species of corporate domination — company towns, company stores, no collective negotiations, etc. The Rockefellers were adamant that they would never bargain with the union chosen by the majority of the workers. Moreover, King was told of this position in no uncertain terms by the Rockefellers, father and son, when he was being interviewed for the job, and he raised no objection. Indeed, he explicitly agreed with them in this, although he went on to suggest that the company was wrong in allowing such working conditions as existed in Colorado to prevail.<sup>40</sup> This was King's "moderate" position between the "extremes" of corporate autocracy and union militancy. He had no compunctions about breaking the United Mine Workers union. To King, the UMW was outside the pale since it based its actions upon

<sup>39</sup>Loren Baritz, *Servants of Power: A History Of the Use Of Social Science In American Industry* (Middletown, Conn., 1960).

<sup>40</sup>Typescript diary, 1914-15, pp. 15, 121.

the idea that the working class should be sovereign in its choice of its own collective organizations. In carrying out the Rockefellers' orders, King characteristically attempted to justify himself in high sounding liberal terms. In a veritable triumph of formal and empty liberalism, he argued that the men could join whatever organization they wished, but that the employer was equally free to choose with whom he would bargain:<sup>41</sup>

the question of making an agreement with a particular union was one thing, and the question of allowing men to join any organization they pleased was another . . . Briefly stated, the crux of this union matter seems to me to come down to this: the demand on the side of the union that this agreement should be entered into with them, permitting only the employment of union men, is an extreme position on the one side. The refusal to allow union men in a mine or men employed to join a union is an equally extreme position on the other side. Each is an unfair abridgement of a fundamental human right.

What was done instead in the Colorado case was to organize a company union around alleged patterns of worker participation in the affairs of the mines. It is true that conditions were materially ameliorated by this device; this too was part of King's liberal philosophy, for without a concrete improvement of conditions, he knew that the UMW would remain strong. In the short run this co-optive liberalism worked. The UMW was broken and a company union established with which the Rockefellers could live amicably. Some twenty years later the "Colorado plan" as it was grandiosely touted by the Rockefeller public relations apparatus was officially outlawed by the United States Congress in the Wagner Act.

There are a number of points which emerge from this episode salient to King's developing ideas on class in industrial society. First, the profound paternalism of King's attitude toward the working class is manifest. I choose that word advisedly, for King was always most anxious to steer the Rockefeller empire away from any public suggestion of "paternalism" in labour relations. King knew very well that an increasingly restive working class striving for a greater share of economic democracy to match the rhetoric of political democracy which was so pronounced in North America in this era, would view paternalism on the part of employers and the state as merely another guise for domination. Even in his own diary, King scrupulously avoided tainting himself with the odour of paternalism. Yet what other word can one give to an approach to labour which refused steadfastly to recognize voluntarily chosen collective representatives

<sup>41</sup>Typescript diary, 7 and 13 September 1915.

of the workers and looked to company-inspired pro-management organizations to avoid worker sovereignty even within the confines of capitalist ownership of the means of production? That King's mission was essentially paternalistic is confirmed by the extravagant praise he heaped upon Rockefeller, Jr. and his executives, "the best men in America" he termed them, adding significantly, "and true friends". He clearly viewed young Mr. Rockefeller's inherited riches as a trust, to be administered with *noblesse oblige*, for as he told his boss, "men of power or position, however attained, have a special obligation to secure justice to the many who were in a relatively weak position."<sup>42</sup> The master of image politics inadvertently let the cat out of the bag when under questioning before the Commission on Industrial Relations. When he was asked to state his views on whether the American people were not the most responsible force to compel the Rockefeller interests to better conditions in Colorado, King egregiously replied:<sup>43</sup>

If you are speaking of the immediate force and immediate influence, I think that the conscience of Mr. John D. Rockefeller, Junior, is more powerful on that, and will affect social justice quicker than any other single force that you could bring to bear. I think he realizes there is a great work to do there, and he intends to have it done.

The publicity storm which broke over King's head following this blunder drove him to paroxysms of self-righteous indignation. Sinking into self-pity he lamented that<sup>44</sup>

it is an easy thing to publicly champion the cause of the poor and miserable, and to talk to the world about their injustices. One gets nothing but abuse and misunderstanding for attempting to do this on behalf of a millionaire . . . The public is governed by its prejudices, not by a regard for the working out of immutable moral laws in the affairs of men . . . [I] shall await with extreme satisfaction the day when this incident of standing for right and justice and fair play as regards the wealthiest man in the world is going to serve to make my voice heard on behalf of some of the poorest against the aggressions and tyrannies of wealth.

King had worked assiduously at cultivating an image of enlightened, responsible capitalism for the Rockefellers, emphasising the personal charm of young Rockefeller, and stressing the philanthropic and charitable dispensation of the family billions. A socialist UMW leader, John Lawson, was unimpressed. "It is not *their* money", he

<sup>42</sup>Typescript diary, 1914-15, p. 42; diary, 24 October 1916.

<sup>43</sup>Quoted in F.A. McGregor, *The Fall and Rise of Mackenzie King, 1911-1919* (Toronto 1962), p. 167.

<sup>44</sup>Typescript diary, 17-25 May and 26 May - 4 June 1915.

asserted, "that these lords of commercialized virtue are spending, but the withheld wages of the American people."<sup>46</sup> In that one sentence, Lawson laid bare the paternalism of King's *apologia*. The alleged middle course which King attempted to steer between the "extremes" of capital and labour was a fraud, for he denied the sovereignty of the working class to choose its own effective representatives to bargain with capital, and at the same time justified an autocratic and irresponsible right of capitalists to distribute the surplus resources of the economy in any way they saw fit, guided only by their sovereign Christian conscience. Underlying King's pretensions to modernity in political philosophy, one quickly detects a much more old-fashioned liberalism than would appear on the surface.

One final note of interest to emerge from King's Rockefeller period, as well as from his service as deputy minister and minister of labour: it was not some arcane "technical" skill in labour relations which was King's selling point as a consultant for hire, it was in a very real sense simply his *political* skills at the manipulation of men's minds, precisely the same skills which were to serve him so well in future years as prime minister of Canada. When a corporate empire like that of the Rockefellers found itself in labour difficulties, which were compounded by political difficulties in an era of muckraking journalism and middle class social conscience, it required the services of someone with at least minimal understanding of labour union organization and of the prevalent directions of thought among labour leaders, along with a finely-tuned sense for what would "sell" to the public. King as a mediator in labour disputes showed consummate skill at playing union leaders off against one another, at undercutting their credibility and legitimacy with their members by making direct appeals to the latter over their heads, and at presenting the employers in the best possible light. In the Colorado affair, King hit upon a happy stroke of genius by separating the ownership (the Rockefellers) from the management, and blaming the local managers for all the company's mistakes while building up Rockefeller, Jr., as the enlightened capitalist who would set things aright once he had been given wise counsel (i.e., from King). When all was said and done, it was sheer political skill which saw King through these labour disputes; his reputation as a labour relations expert was more in the nature of public relations trumpery than actual substance. To be fair, King himself had a theory to explain this. When the President of Harvard took him

<sup>46</sup>George S. McGovern and Leonard F. Guttridge, *The Great Coalfield War* (Boston 1972), pp. 320-1.

to task for failing to provide a "fundamental" contribution to the question of labour relations, King simply replied that "the whole question of industrial relations was essentially one of human relations, and that the method of dealing with it lay along the lines of considering the significance of the personal contacts in industry."<sup>46</sup> Inasmuch as King was in fact playing the familiar game of liberal interest group politics, it is well to note that his activities are in fact subject to the same criticism that this sort of politics has generally attracted. He was highly successful in the short run at reestablishing peace and consensus, but his short term solutions did little to build the basis for long term agreement, indeed in most cases they served to exacerbate the fundamental conflicts.

What we have observed up until now is the progress of a relatively intelligent, ambitious and politically adroit young man on the make, whose academic training was carefully utilized as an instrument for personal advancement — the very model of the upwardly mobile new middle class man of the early twentieth century. If that were all there were to King, the investigation of his career would merely be of interest to students of political engineering. But that there was more to King is evident from his book, *Industry and Humanity*, which emerged out of his work for the Rockefeller Foundation. This much-despised book, impenetrable, pompous, tedious, as overstuffed as a Victorian sofa and as interminable as a sermon on moral uplift, is nevertheless, with all its undoubted faults, an important statement of liberalism in twentieth century Canada. Indeed, taken in comparison with the flood of books on the "social question" which emerged in Canada during and just after the war, with authors ranging from Tories like Stephen Leacock to farmer and labour radicals like W.C. Good and William Irvine. King's book, style and structure aside, stands out as among the most farsighted and insightful. What is perhaps most surprising about *Industry and Humanity*, considered in relation to what we know of its creator, is its fundamentally *visionary* quality.

Despite the suspicions on the part of some observers that the book was merely a campaign document to help King win the Liberal leadership, it is clear that to King himself the book was far more. Rockefeller, Jr., who always entertained serious doubts about the entire project, suggested to King that he could make more money and do more significant and concrete work by freelancing as a labour relations consultant for American corporations rather than devoting

<sup>46</sup>Typescript diary, 27 January 1915.



himself to the writing of an abstruse tome. King was adamant: "the book would have a far-reaching influence, . . . it would have the principles which should be applied and could be applied all along the line . . . my subsequent work would be the application in a practical way."<sup>47</sup> Yet it is also clear that from the beginning King saw his task as more than simply writing a textbook on the principles of labour relations. The title itself conveys the extraordinary breadth and scope which the author wished to cover. Moreover, the infamous diagrams appended to the end of the volume, which caused Rockefeller some embarrassment and have afforded subsequent generations much amusement, were not an afterthought intended to give pseudo-philosophical form to King's written ramblings; rather the author began with the diagrams and later worked out the text to accompany them. This point is of more than passing significance considering the grandiose, metaphysical nature of these diagrams with their cosmologies of the world, industry, mankind, and the natural laws of peace, work, and health. In other words, in King's own mind, the specific policy aspects of labour relations were only applications of an overarching interpretation of man's place in the universe.

To be precise, King actually began his work for the Rockefeller Foundation with the development of his diagrams, well before the book was an active project. Early in 1914, King was spending some time at Harvard and outlining a chart of industrial relations. "It was a delight," King enthusiastically reported in his diary, "and I went at the work as a sculptor or painter would, with the rough outlines and the gradual marking in of proportions and symmetries." Within a few days more diagrams followed. The quote from Louis Pasteur on the competing "Laws" of "Blood and Death", and of "Peace, Work and Health", with which the book was eventually to open came to King's mind at this early stage as a key to unlocking the secrets of the industrial problem. Since these "laws" are the worst kind of pseudo-science, nobody has paid them much heed. Intrinsicly, they certainly require no serious attention. More interesting is what the use of these "laws" reveals of King's deeper purpose. When the Pasteur quote occurred to King, he saw it as revealing a parallel between medicine and industrial relations.<sup>48</sup> At first glance, this seems an odd parallel to draw, until one realizes that King wished to find a "scientific" basis for an *organic* theory of society.

As his diagrams took shape, King consciously drew upon the

<sup>47</sup>Typescript diary, 7-9 March 1917.

<sup>48</sup>Diary, 6, 13, 20-21 October 1914.

implications of an organic concept of society. By analogy to the human body, King saw all of humanity governed by the heart or the stomach, instruments which answered to the two goals of human relations, the "domestic" (the moral relations of blood or affection) and the "economic" (market relations of material satisfactions). "To begin at this point", King wrote, "is to lead to a readjustment in one's whole outlook on life. It is to see what Christ meant when he spoke of man not living by bread alone (the needs of the stomach) but by every word which proceedeth out of the mouth of God (the needs of the heart). Both are interrelated and interdependent. The art of living is an understanding [of] how to produce harmony between them". King does not pursue this organic conception as literally as John of Salisbury, but it underlies his drive to "bring out strongly the position of society as a whole . . . that co-operation towards a common ideal, the well being of the whole, must supplant the idea of domination of one of the parts, over other".<sup>49</sup> The rhetoric appears egalitarian, until one considers the significance of the organic mode of thought, which is inevitably hierarchical inasmuch as the mind must rule the stomach, as the heart (moral sense) must rule the mind. The *organic* role of the working class is thus of a lower order than that of the directing principles of capital and management.

In *Industry and Humanity* King quotes with approval the left wing of Social Darwinism which had argued that "Mankind as a whole is the complete social organism . . . A world of peace . . . , each part co-operating with the others and effecting a co-ordination of effort aimed at destroying every obstacle to perfect manhood, would reveal a social organism rendering itself fittest to survive".<sup>50</sup> Yet only a few pages earlier, King had used Sir Henry Maine's argument about modern society moving from "status to contract" with evident enthusiasm, since he sees contractual relations between capitalist and worker in Lockean terms as presupposing "equality of the parties before the law" (p.79). Thus "if the *cash nexus* has broken the bond of personal security, it has broken also the yoke of personal subordination." Is King thus hopelessly suspended between contradictory assumptions of organic collectivity versus contractual liberalism? There is no doubt that King fails in the end to resolve the contradiction: he wishes to remain a liberal, but with organicist roots. Yet the answer must be qualified by the precise specification King gives to his organic model. In fact King is here drawing (without acknowledge-

<sup>49</sup>Diary, 13 October, 1914.

<sup>50</sup>*Industry and Humanity* (Toronto, new edition, 1973), p. 86.

ment) from his old mentor Toynbee, who had argued that the industrial revolution, by destroying the old relations of feudal subordination, had created the basis for a new and more equitable partnership between employer and employee, based precisely upon a contractual, as opposed to a customary, link. The move from status to contract in an *industrial* world laid the foundation for an organic society in which the roles were truly divided on a *functional* basis. The division of labour and the returns to production were decided by the mechanism of the market, which by its impersonality, could not be accused of favoritism or corruption. This provided the basis for a truly *just* organic structure of roles and rewards.

Epistemologically, King had no doubt about the validity of deriving all-embracing laws of human behaviour from metaphysical postulates. Defending himself against those who would see the "Law of Peace, Work, Health" as a "mere abstraction," King rather ingenuously replied that it was no more so than the law of gravitation, or the law of evolution:<sup>61</sup>

In the case of each of these so-called "laws", Science has ventured to explain certain facts of the material universe by means of hypotheses which make these facts intelligible and reasonable. In each case she has put forth a proposition in accordance with which it is possible to give sequence, orderly relation, and meaning to what otherwise would be unrelated and inchoate elements. If the physical universe is rational and can be understood, is it not reasonable to suppose that, in the field of human relationships, as respects human right and obligation, there are also laws which govern conduct in accordance with previous thought?

A universal cosmic order which is wholly rational and law-abiding is the fundamental assumption of all science. It assumes that those propositions are true which are necessary to make the facts of life intelligible and reasonable... The Law of Peace, Work and Health is a part of the larger Order which sustains a divine creation, and which evidences a universe begotten of a beneficent Deity, not a world the outcome of Chance, nor even of Intelligence, limited to the direction of Matter and Force.

This argument bears less resemblance to a chain of logic than to a revolving door. King enlists natural science in the cause of social science, but the entire relationship rests on faith alone. What we do find here is the key to King's veritable mania for *simplification*,<sup>62</sup> that underlying the complexities and diversities of the sensual world, the basic structure is clear, orderly, and simple. King's lack of interest in

<sup>61</sup>*Ibid.*, pp. 109-111.

<sup>62</sup>A point nicely made in an unpublished paper by Barry Cooper on *Industry and Humanity*. I wish to thank Professor Cooper for showing me this paper.

philosophy is explicable in this light. The problem to him was not philosophical, but practical — how to implement in a sinful world what was obvious to any morally informed intelligence.

The organic basis of human social relationships is to be *discovered* as a material reflection of the Mind which orders the universe. The "law" of "peace, work, and health" suggests that industrial peace allows for economic production by the co-operating units which in turn results in the organic "health" of the social collectivity. King, writing during the carnage of World War One, is careful to extend this from the industrial to the international plane. In doing so, King boldly confronts the objection that his argument is irrelevant to the real world. There is a competing law at work, that of "blood and death". King, after all, is a Christian, not a Pollyanna. Mankind has fallen from grace and must earn forgiveness by triumphing over evil. Promethean man's very reaching for perfection disturbs the natural order, even while giving proof of his position between God and beast. Thus the *imagery* with which he begins the first chapter on "industrial and international unrest", the imagery of Frankenstein, the creation of man turned in an uncontrollable monster of death and destruction. This Gothic image of the industrial revolution is striking enough in itself as evidence of a failing faith of the North American middle class in the comfortable certitudes of inevitable progress. "Surely, Industry is something other than was intended by those who contributed to its creation, when it can be transformed into a monster so demoniacal as to breed a terror unparalleled in human thought, and bring desolation to the very heart of the human race!"<sup>83</sup> More importantly, this imagery suggests the power which King attributed to the industrial revolution as a universal solvent of social tradition and customary ways of life. Marx too laid epochal significance on the transformation of man by the processes of modernity, but to King it was not the market system nor the rise of the capitalist bourgeoisie which were the crucial factors. King is much more of a technological determinist than Marx; it is the material transformations rather than the changing relationships among men which are the turning point. Here King is within a Canadian tradition, from T. C. Keefer's *Philosophy of Railroads* to George Grant's *Technology and Empire*, a tradition which sees technique as the key to historical change, whether for better or for worse. And not merely the key, but the *universal key*.

The stress which King laid upon the industrialization process as

<sup>83</sup>*Industry and Humanity*, p. 15.

the transforming factor, to the exclusion of class development and class conflict gives further support to the hierarchical nature of his organic society. Class divisions are to King necessary and natural phenomena of all conceivable political orders. There can be no concept of a "universal class" in King's thought. There are only interdependent classes, performing specialized tasks functional to the organic whole. King has no doubt that industrialization has altered class relations, and in one sense, for the worse. The very facts of class conflict and industrial strife are evidence of the disturbance which has taken place. He is also aware of the enormous disparity between capital and labour, of the "inherent ubiquity of capital", its "mobility" and "fluidity" its internationalism, "with no definite occupation or home", and if the crucial political influence derived from wealth, as opposed to the powerlessness and insecurity of labour, its confinement within national and cultural borders, its psychological as well as material weakness. He is also aware that just as capital seeks to overcome the insecurity of the market by mergers, cartels and monopolies, so too workers "exist as atoms in a human tide so vast, and subject to such ceaseless ebb and flow, that the effort to secure collective stability becomes the first requisite of existence itself".<sup>54</sup> Like J. S. Mill, King harbours doubts about the supremacy of capital.<sup>55</sup>

For the preferential treatment Capital has thus far received, there is no defence possible on grounds of democratic theory or fundamental justice, only an explanation. Capital has been able to wait: Labour has not. Capital, through its ability to wait, has been in a position to compel a voice.

King's solution is one of co-partnership between capital and labour. In light of his actual activities as a mediator, and his Rockefeller duties, it should not surprise us to find that this is, from labour's point of view, very much a junior partnership, if that:<sup>56</sup>

Partnership is essentially a matter of status. It does not involve identity of function on the part of the partners, or equality of either service or rewards; but it does imply equality, as respects the right of representation, in the determination of policy on matters of common interest.

We have moved from status to contract back to status again. In other words, as to the actual division of the resources of the industrial economy between capital and labour, King remains silent. At another point, he speaks of an "adequate" return to the worker, and then

<sup>54</sup>*Ibid.*, pp. 43, 46, 158.

<sup>55</sup>*Ibid.*, p. 238.

<sup>56</sup>*Ibid.*, pp. 236-7.

immediately defines this as the market value of his productivity. At another point, he falls back on Mill's distinction between production and distribution as offering an opportunity to redistribute without altering the productive system. But he does little with this; he is much more interested in the old North American tradition of economic growth as an evasion of class conflict. With more being produced, invidious comparisons about the distribution will presumably be lessened.<sup>57</sup>

An emphasis on economic growth leads to an emphasis on productive efficiency, and thus on industrial peace. We are thus back again at King's *idée fixe*. Where capital confronts labour directly, the conflict will inevitably tend to be over resources (profits versus wages) and hence a zero-sum game. To solve this basic industrial disorder, to bring about the partnership he wishes to see, it is necessary for King to step outside this bipolar conflict model and seek external forces for compromise. It is here that King's book borders on some originality.

His concept of the "four partners to industry" attempts to widen the scope of industrial politics in two directions. First, his emphasis on the separation of capital and management was not merely a sign of some sensitivity to the prevailing currents of opinion, but also showed an acute understanding of the *political* significance of demonstrating the existence of a "technostructure" (in Galbraith's later term), distinct from the capitalists themselves. As King argues, state socialism might expropriate individual capitalists, but "in actual practice, 'political managers' would be substituted for 'capitalist managers'". Though differently controlled, the capitalist form of large organization of Industry, with its division of labour, its division of industrial processes, and its divisions of industrial areas, would still remain." The political moral was clear: "It is not against the *form*, but against the possible *abuses*, of industrial organization, whatever the system, that protests should be uttered."<sup>58</sup> Galbraith himself could not have stated it better a half century later.

After management, the fourth partner to industry is the "community". It is by no means clear just what King understood by this. At times it would seem to be some Rousseauian collectivity in possession of a general consensus, if not a general will. More often it seems to be simply the government. This interpretation is obviously strengthened by King's own role as an interventionist bureaucrat. A

<sup>57</sup>*Ibid.*, pp. 76, 174-5, 178.

<sup>58</sup>*Ibid.*, p. 76.

few points may be made about this role for government. First, it may be noted that labour is reduced to a one-quarter partnership. The employer has two voices, capital and management. King is careful to specify that governments in capitalist societies are essentially supportive of business ("What is ninety-nine percent of the expenditure of Government in normal times, but outlays in the nature of investment in Industry: investment in property and services of one kind or another which alone makes possible the vast co-operation and co-ordination of effort which is the very life-blood of Industry?"<sup>59</sup>) It is thus apparent that labour is decidedly a minority; King's behaviour as mediator certainly offers no evidence to dispel this impression.

More striking yet is what this concept reveals of King's attitude toward government. So deeply does he believe in "industry" as the key to human conflict, that traditional government structures are quite secondary. When he contemplates the idea of industrial peace, he adds as an afterthought that "the existence of such a perfectly adjusted industrial order would be found to disclose a perfectly organized political order as well. For if, in all the relations within industry, there existed perfect adjustment, the habit of mind of communities would be such that, in the domain of politics, variation from the laws applicable to Industry would be unnatural." King goes further than this to suggest that the four partners form a "Directorate" which would control industry in the common interest, "just as, in a Cabinet, expression is given to the common interests of a nation."<sup>60</sup> We thus have an extension of governmental forms in industry; what then of the traditional state? King is carefully ambiguous;<sup>61</sup>

Whether political and industrial government will merge into one, or tend to remain separate and distinct, the one being supplementary to the other, is a moot question. The probabilities are that for years to come they will exist side by side, mostly distinguishable, but, in much, so merged that separateness will be possible in theory only.

If the "directorate" of partners corresponds to the cabinet, King unflinchingly draws a parallel between industrial management and the political executive, which is particularly revealing of his political ideas. After briefly discussing the conventional theory then current of the separation of politics and administration, only to drop it in favour of a more realistic notion of the important role of the administration in

<sup>59</sup>*Ibid.*, p. 238.

<sup>60</sup>*Ibid.*, p. 269.

<sup>61</sup>*Ibid.*, p. 246.

policy making, King makes clear that the directorate would function "with Management advising, and often dictating to the other constituent elements, just as under the British constitution, the Prime Minister and his Cabinet, and under the American constitution, the President and his Cabinet, not withstanding that their primary function is executive, advise, and, within bounds, dictate to Parliament and Congress respectively."<sup>62</sup>

The integration of labour within industrial decision-making structures; the gradual merger of the political and industrial "governments"; a determining voice for the managerial technocrats: thus the outlines of what can only be described as a *corporatist* vision of the future. King does not draw out all the ramifications; many questions are left pointedly unanswered. But King himself was quite aware that his ideas represented a shift away from traditional liberalism towards "collectivism"<sup>63</sup>. This "collectivism" was in no sense socialistic, since it involved no change in the ownership of the means of production. But it was collectivist inasmuch as it saw society composed of organized groups, and saw individuals having significance only as members of such collectivities. Politics becomes the ordering of relationships between organized groups; indeed, the structures of accommodation appear to supersede government altogether. Since organized interests are represented in the interior processes of decision-making, they are collectively responsible for the decisions. King's faith was that the clash of interests characteristic of capitalist societies was not inevitable, as pluralists would have it, but could be brought to a definitive end.

Philippe Schmitter has drawn well the contrast between pluralist and corporatist views of interest groups:<sup>64</sup>

The former suggest spontaneous formation, numerical proliferation, horizontal extension and competitive interaction; the latter advocate controlled emergence, quantitative limitation, vertical stratification and complementary interdependence. Pluralists place their faith in the shifting balance of mechanically intersecting forces; corporatists appeal to the functional adjustment of an organically interdependent whole.

King's corporatism appears to correspond to Schmitter's category of "societal corporatism", as opposed to the "state corporatism", usually associated with fascism. That is to say, King's corporatism

<sup>62</sup>*Ibid.*, p. 272.

<sup>63</sup>*Ibid.*, p. 268.

<sup>64</sup>"Still the Century of Corporatism", *Review of Politics* 36 (January 1974), p. 97.



remains liberal, to be based not on authoritarian compulsion but on the ability of an enlightened technostructure to bring about the integration of the organized interests into governing structures through the leadership and education of public opinion. King's statement of corporatism remains visionary, and his book is filled with careful circumspection on the possibility of realizing the vision. This circumspection is itself evidence of his fundamental liberalism; he would work with the forces of society as they were and not try to force the issue. To push too quickly would only arouse the opposition of powerful forces and thus exacerbate conflict. Short term peace, whether in industrial relations or in politics, was always King's major concern. Moreover, King's book was visionary in more ways than one. So far as the Canada of 1918 was concerned, *Industry and Humanity* ignored the class conjuncture of the time and leaped ahead to a future when the farmers and other *petit bourgeois* elements had ceased to be of real economic or political significance. The actual Canada which King inherited as prime minister in 1921 was one in which the main political conflict was between the *grand* and *petite bourgeois*, and King devoted his efforts to placating the agrarian Progressives, a group given not a line in *Industry and Humanity*. The class conjuncture which he envisioned in the book was thus prophetic, but not entirely relevant to its own age.

King's corporatist vision was not simply Utopian. He did have a theory of social change which, while scarcely activist, was not entirely quietist:

The renovation of nations, says William James, begins always among the reflective members of the State, and spreads slowly outward and downward. The thinkers, the teachers, the spiritual and political leaders, the practical idealists in business, hold a country's future in their hands. How to transmit the force of individual opinion and preference into public action has been described as the most difficult and the most momentous question of Government. Intricate as it may appear, in the midst of dire necessity and surrounded as we are by the controversy of contending forces, we must "find a way or make it".<sup>66</sup>

Thus the role of King's book. On these grounds it must, of course, be judged a failure. Its length, its style and its inaccessibility prevented it from renovating the nation, even by extension. Yet to give King his due, it must be admitted that his liberal corporatist vision had, for its time, an astonishingly prophetic quality. Taken in conjunction with his legislative imprint on Canadian industrial relations with its central

<sup>66</sup>*Industry and Humanity*, p. 276.

role for the "community", King's corporatist vision indeed has some concrete manifestation in the real world of the 1970s. Corporatism as the alternative to socialism and an answer to labour militancy is moreover the conventional wisdom of much of the Western world today. That the Canadian Labour Congress, sixty years after King's book, can think of nothing better as an alternative to class conflict in a capitalist society than corporatist "tripartism" (only management removed from King's scheme) is itself a tribute to the modernity of the early Mackenzie King.

What is interesting about King's intellectual odyssey toward corporatism is what it reveals of the basis of this currently fashionable concept. Corporatism was not inimical to liberalism, but instead grew out of a crisis of liberal capitalist democracy and offered an apparent solution to that crisis which would not challenge the basic structures of the capitalist political economy but would instead consolidate them. Corporatism would freeze existing class inequalities by institutionalizing them and incorporating them into the structures of the state. Corporatism was above all an *ideological* solution to a *structural* problem. It was no accident that King held to an organic view of society which derived from an idealist metaphysics. It was only at the ideal level that the organic structure of precapitalist society could be obtained in the cash nexus world of industrial capitalism. The achievement of corporatism was not so much a material problem as a problem of *consciousness*. Yet the intractably inorganic and alienated nature of the real world presented a fundamental contradiction. King's failure to resolve this contradiction ought not to surprise us, for his failure is the failure of his successors a half century later. In 1918 King struck the prophetic stance of a liberalism yet to come. Both in the theoretical accession to traditional liberalism and in the weakness which that accession obscured, King was, like a good liberal, just slightly ahead of his time.\*

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