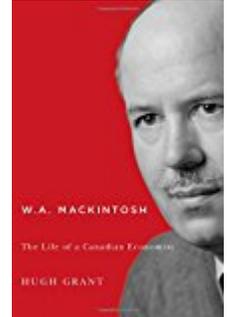
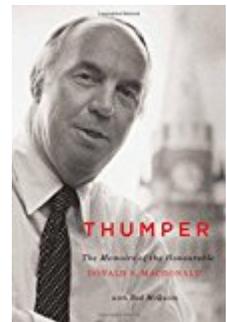


**H. M. Grant.** *W. A. Mackintosh: The Life of a Canadian Economist.* Montreal: McGill-Queen's University Press, 2015. 550 pp. \$49.95, cloth, ISBN 978-0-7735-4638-7.



**Donald S. Macdonald, Rod McQueen.** *Thumper: The Memoirs of the Honourable Donald S. Macdonald.* Montreal: McGill-Queen's University Press, 2014. x + 275 pp. \$34.95, cloth, ISBN 978-0-7735-4469-7.



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**Commissioned by** Corey Slumkoski (Mount Saint Vincent University)

During the last half of the twentieth century two great economic ideas have dominated Canadian life. From the mid-1940s on, Keynesianism, with its notions of state intervention into the national economy, has prompted governments to smooth out capitalism's turbulent economic cycles, promoting steady growth and full employment. By the late 1970s, however, after a decade of stagflation, the ideas of British economist John Maynard Keynes were increasingly suspect, and they were soon swept away in a rush to embrace free trade, globalization, and its neoconservative agenda. But Keynesianism has made a comeback since the Great Recession of 2008, and as global-

ization's prospects fade in the face of a crumbling Europe and slow growth in China. The arrival of new books, a biography and a memoir with the life stories of two Canadian policymakers associated with these clashing economic models, is timely and relevant.

Economist Hugh Grant's biography, *W.A. Mackintosh: The Life of a Canadian Economist*, is a first-rate piece of work on the economist, civil servant, and university administrator who introduced Keynes to Canada. Born in the rural hamlet of Madoc, Ontario, in 1895, Mackintosh was a product of the rugged Canadian landscape, whose productive rhythms infused his thinking. He stud-

ied political economy at Queen's University under the legendary O. D. Skelton on the eve of the First World War. Ambivalent about the war--Grant contends that he was opposed--Mackintosh headed to Harvard in 1916, where he pursued a PhD in economics under Frank Taussig.

This is intellectual history at its best, and Grant carefully traces Mackintosh's intellectual development from his undergraduate thesis on Leo Tolstoy to his PhD work on farm cooperatives to his seminal 1923 article on the "Economic Factors in Canadian History," the first iteration of the staple thesis. Grant's precise delineation of the contributions of Mackintosh and University of Toronto economist Harold Innis to the development of the staple thesis is fair-minded and convincing.

*The Life of a Canadian Economist* offers a sophisticated reading of Mackintosh's scholarly work that challenges recent critics who have dismissed him as a Liberal hack and postwar continentalist. Grant ties him closely to Innis, his friend and colleague, demonstrating persuasively that the two great economists were divided chiefly by their attitude toward applying their ideas. Innis held back from the fray, while Mackintosh was a pragmatist to the core: "Unless economics and other social sciences are to be justified by policy, they become mere chess games to be classed as recreation" (p. 125).

Grant traces the interplay between Mackintosh's ideas and his practical work through the 1920s and 1930s as he bounced between teaching, consulting work, and government contracting. As a scholar and intellectual, Mackintosh played a major role in the interwar period in shaping the emerging discipline of Canadian political economy and its related fields. At Queen's, the young economics professor introduced new studies in commerce and courses in industrial relations. Nationally, he was one of a generation of scholars who reinvigorated the Canadian Political Science Association, serving as its president in 1936.

Through the late 1930s and into the 1940s, Mackintosh slowly worked out how Keynesianism could be applied to Canada's kind of staple, open, and trade-dependent economy. His work with the National Employment Commission in 1936-38 nudged Prime Minister W. L. Mackenzie King's government toward recognizing an expanded role for the state. The Royal Commission on Dominion-Provincial Relations, for which Mackintosh supplied a crucial study on *The Economic Background of Dominion-Provincial Relations*, represented another small step towards Keynes's bright new world.

The outbreak of war in September 1939 overtook the Royal Commission's recommendations on expanding the federal government's role in the federation. With the economy rebounding from depression and government ballooning to fight the war, Mackintosh headed to Ottawa as a temporary employee and special assistant to the deputy minister of finance. Over the next six years, Grant argues, Mackintosh was the "single most important official in Ottawa when it came to the economic aspects of the war effort" (p. 392).

Grant avoids getting bogged down in bureaucratic detail, while offering much to substantiate this bold claim. Early on, Mackintosh served on the crucial Economic Advisory Committee, managing foreign exchange, inflation, wages, and industrial relations, and shaping a new role for the state in the "managed economy." He played a key role too representing Canadian interests at the several international conferences that gave shape to the postwar global economic order. Significantly, on behalf of Canada, he seconded Keynes's motion to adopt the "Final Act" of the Breton Woods conference setting up the International Monetary Fund and the World Bank.

As the war ended, Mackintosh turned his considerable talents to the domestic postwar order and the problems of reconstruction. His "masterful" white paper, *Employment and Income*, which pulled together the government's ad hoc wartime

economic initiatives into a coherent program for the first time, was the first “wedding of the staple thesis with Keynesianism” (p. 288). Tabled in the House of Commons on April 12, 1945, it reiterated the government’s commitment to maintaining high levels of employment, while acknowledging that “a prosperous world is essential to a prosperous Canada” (p. 288).

When Clifford Clark fell ill in June 1945, Mackintosh stepped in, and served as acting deputy minister of finance for eight months. There, Mackintosh developed the comprehensive set of social security reforms, including a universal old-age pension and health insurance, that were incorporated into the *Proposals of the Government of Canada* (the Green Books) for the 1945 federal-provincial conference. Though blocked by Quebec and Ontario in 1946, the proposed reforms set the national welfare agenda for the next two decades.

Mackintosh returned to Queen’s in 1946. Over the next two decades, he continued to offer policy advice to government, but his focus was on producing “educated people of integrity” (p. 300). He served Queen’s as dean of arts, and then as principal from 1951 to 1961. There was a whiff of the self-satisfied about Queen’s during the 1950s, a residence college spared “the indifferent day student” (p. 336). And Grant might have delved more sharply into hints that Mackintosh had difficulties as an administrator. But overall, here too, Grant leaves his readers in no doubt as to Mackintosh’s accomplishments and the depth of his intellectual commitment to a liberal education.

This is an excellent biography: well-written and exhaustively researched. Nevertheless, there are occasional errors of fact: Sandy Skelton was never deputy minister of trade and commerce (p. 313), and the cabinet’s decision to send troops to Korea was not taken on July 25, 1950 (p. 316). The economic discussions occasionally assume more knowledge than many readers possess, and it is never explained why Sandy Skelton “kept preg-

nant mares for female hormones” (p. 180) Moreover, there is an unsettling number of typos. On balance, however, these are quibbles, and they take little away from Grant’s achievement.

Liberal politician Donald S. Macdonald, nicknamed Thumper by a university classmate on account of his size thirteen feet, is a Canadian of a different stripe. As he recounts in his self-titled memoirs, *Thumper*, Macdonald was born a scion of the Canadian establishment. He spent his boyhood during the Second World War in the tony Ottawa suburb of Rockcliffe, and studied at the city’s best schools, Lisgar Collegiate and Ashbury College. He prayed amid the stolid stonework of Ottawa’s First Baptist Church, where he knelt alongside Liberal stalwarts Finance Minister J. L. Isley and Defence Minister J. L. Ralston. Naturally, his way ahead seemed clear: Carleton College to boost his high school transcripts, Trinity College at the University of Toronto, and Osgoode Hall Law School, from whence he emerged a lawyer in 1955.

It was an age of multilateral enthusiasms, which Macdonald’s graduate studies reflected. He embraced international law at Harvard University, before heading to Trinity College, Cambridge, where he completed a thesis on the new General Agreement on Tariffs and Trade (GATT). Somehow, and the memoirs are not entirely clear on this, he graduated from the Establishment ‘50s into the revolutionary ‘60s as “a progressive, a centre-left liberal” (p. 58) He caught up to the resurgent federal Liberal Party just in time to be elected to the House of Commons in 1962 as an “accidental candidate” (p. 53).

Macdonald, taken under Walter Gordon’s nationalist wing, moved leftward over the next decade. He stood proud when Prime Minister L. B. Pearson defied US president L. B. Johnson over Vietnam, and he canvassed supporters for Gordon’s crusade against North American economic integration at the 1966 Liberal Convention. An outspoken critic of Canadian foreign policy under

Pearson and Foreign Minister Paul Martin Sr., he supported Pierre Trudeau for Liberal leader in 1968. He was rewarded with posts as president of the Queen's Privy Council and house leader.

During the early Trudeau years, Macdonald was a vocal advocate for foreign policy reform, most notably in his unsuccessful fight to withdraw Canadian forces from Europe. Over time, however, his reformist instincts faded. He settled in as Trudeau's chief political minister in Ontario, responsible for patronage and appointments, eventually emerging as finance minister and potential successor. But when Trudeau lingered too long in office, Macdonald fled to Bay Street in 1978, just as the Western world tilted right. Although Trudeau's short-lived resignation in 1979 reignited his hopes, Macdonald missed his chance, unwilling to push the dithering prime minister aside. His hesitations, he acknowledges honestly, reflected his "lack of royal jelly" (p. 183).

Macdonald remained an influential figure in Ottawa during a long political afterlife. He headed the Royal Commission on the Economic Union and Development Prospects in 1982-84, whose recommendations in favour of free trade with the United States ushered Canada into the modern, globalized world. In 1988, Progressive Conservative prime minister Brian Mulroney appointed him high commissioner to the United Kingdom, a role he embraced enthusiastically. Amid the ruins of his progressive beliefs, he marvelled at the specious miracle wrought by British prime minister Margaret Thatcher through "the encouragement of free enterprise, privatization, and lower taxes" (p. 221). By the time he returned to Canada in 1991, his views were sufficiently orthodox that Ontario's Conservative premier Mike Harris could trust Macdonald with a commission reviewing the future of Ontario Hydro.

There is much to like in these memoirs. Macdonald writes well and easily, and is a natural raconteur. Appearing alone at an all-candidates meeting at a Catholic church closely identified

with the Liberal cause, he asked about his rivals. "The other candidates?" deadpans the priest, "Oh no, we wouldn't invite them here" (p. 69). His pithy portraits of Trudeau and his cabinet in the 1970s are judicious, as well as frank and funny. There are useful sketches of Gene Whelan, Jean Marchand, Gérald Pelletier, Marc Lalonde, Roméo LeBlanc, Paul Martin, and self-made Newfoundlander Don Jamieson, who "would leave 'no turd unstoned' to get a job done" (p. 100). And appropriately for a memoir, he gets even with former foes Mitchell Sharp ("a little bit prissy," p. 101) and NDP house leader Stanley Knowles, whom he denounces for his partisanship and glory-seeking.

It is doubtful, however, that the memoirs ever reveal the real Macdonald. He moves through the second half of the twentieth century like a Canadian Forrest Gump. Hyper-imperialist during the Second World War, Deke pledge in the 1950s, and then a leftist-nationalist, Macdonald ends up a Bay Street operator, embracing arch-conservatives Thatcher and Harris in the 1990s. Crucially, the source and progress of this intellectual voyage remain unclear. Perhaps subconsciously, certainly ironically, he offers his own assessment, quoting with approval Britain's Iron Lady: "Who are these people who shape their policy with every wind, and trim every sail? They have never believed in anything in their lives" (p. 219).

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