The contradictory character of Canadian nationalism distinguishes it from the nationalisms of other advanced capitalist countries in both content and form. Nationalism in Canada has been constructed in a more associative than dissociative manner in relation to the British and American Empires. As in other advanced capitalist countries, the national question in Canada is intertwined with the accumulation strategy pursued by the ruling bloc. The Canadian ruling bloc has had a long history of co-existing, facilitating, and profiting from foreign investments. How has it been able to manage and prevent a popular response to high levels of foreign ownership and continental integration? In this paper, I argue that in the historical formation and articulation of permeable nationalism has been an important ideological tool used to support and stabilize the deep integration agenda. Viewed from our perch in 2010, it becomes clear that the popular-nationalist interlude from 1967 to 1984 stands out as an exceptional period of Canadian history.

I argue that the ruling bloc’s historical adoption of an associative accumulation strategy was supported by two central aspects of Canadian nationalism. First, the dominant variant of nationalism in Canadian history is uniquely permeable. Second, pan-Canadian national identity and Canadian nationalism are characterized by their state-centric and externally conditioned nature. The Canadian state and ruling bloc has fashioned a nationalist and
populist ideology that legitimates the state’s formal independence, but does not interfere with processes of economic and political integration. The scope and content of Canadian nationalism have been narrowed to the cultural and symbolic sphere to facilitate accumulation processes that rely on foreign investment, exchange relations, and profit-making opportunities.

Canadian nationalism can be best understood as the subject of an ongoing struggle of competing variants for supremacy driven by class interests. The long history of Canadian capital’s close alliance with empire is reflected in the fact that two varieties of bourgeois nationalism have been at odds in Canadian history. Empire-oriented capital has supported and articulated permeable nationalism, while domestically oriented capital has articulated a nativist nationalist variant more commonly observed in other advanced capitalist countries. Popular nationalism has been articulated by agrarian, working, and intermediate classes, particularly in the period from 1967 to 1988. The dominant variant of Canadian nationalism has been the permeable variety and has been used to manage relative autonomy within empire, first as a loyal member of the British Empire, and subsequently as an imperial dependency within the American empire. Permeable nationalism is not the same as antinationalism. Nationalism as a tool to impart a particular world view is too important an ideological resource to discard from the project of state legitimation and managing class conflict. Rather, a specific articulation of nationalism that has been supported by the ruling bloc contains elements useful for social control, but is missing the dissociative economic focus of other advanced capitalist nationalisms.

In the first section, I discuss some ways in which the political economy of nationalism is theorized. Investigating the specificities of Canadian nationalism, I explore the cultural and economic roots of the challenge faced by the ruling bloc at Canadian Confederation by theorizing two paths to nationalism: one from below and the other from above. In the second section, I develop a typology of Canadian nationalisms in conflict throughout history — permeable, nativist, and popular. Next, I demonstrate how multiple cleavages at the heart of the national question in Canada contributed to the choice of a strategy of dependent accumulation supported by permeable nationalism. In the third section, I discuss the relationship between the
dominant variant of Canadian nationalism and the state and ruling bloc’s accumulation strategy. The focus throughout is on making links between variants of Canadian nationalisms and their class basis in society.

**The Political Economy of Nationalism**  This paper explores nationalism and national identity, and in particular how they interact with and are shaped by economic processes and the ruling bloc’s accumulation strategy. Nationalism and national identity have been used by classes and class alliances to pursue broader social, political, and economic goals. Nationalism is usually associated with a movement to push out foreign interests and influences. Philip Resnick defines nationalism as “a concern that the political, economic, and cultural affairs of a territorially defined polity be controlled and directed by individuals and/or corporations that are members of that polity, rather than by forces outside it.” From this perspective, nationalism is, at root, an action-oriented program that privileges domestic over foreign influences. In contrast to Resnick, I start from the view that the specificity of Canadian nationalism is that its action-program is quite constrained. Its focus is limited to creating a feeling of national identity within the population to ensure the continuity between a territorially defined polity and the federal state.

Most simply, the content of nationalism is rooted in four aspects. First, geographical and natural attributes of a country are elevated and seen to be equated with the character of the population. Historically, this “mappism” has been a central plank in Canadian nationalism. The second aspect is found in what Eric Hobsbawm terms the material of “popular proto-nationalism.” These are ethnic and linguistic characteristics of a population that can appear to be natural, inherited from an imaginary past. Third, for nationalism to have some content, this inherited material needs to be worked into a high culture before it can become the cultural representation of the nation. Technological and scientific achievements add further content to nationalism. Finally, a material basis for nationalism needs to be created in the social world, which goes beyond flora and fauna to mark space and place as unique, distinct, homogeneous, and reflective of the nation. This factor can be thought of as the markers of the territorial boundaries of the
nation-state as basic as common mailboxes, common design of public buildings, industrial commodities, language on signs, and retail/restaurant chains. Michael Billig has termed this type of nationalism “banal nationalism.”6 The particular emphasis, content, and form of each of these four elements are supported by class interests to become the basis of the nation’s imagined community.

Marxist theorists have long stressed that articulations of nation and nationalism are rooted in class power.7 Nationalism is theorized as a social phenomenon that must find resonance in a class coalition to give it concrete form; the political or cultural nation cannot “be abstracted from its social bases and treated as a wholly independent source of collective interests and aspirations.”8 The study of nationalism, therefore, must put close attention on its historical development and its class content. Aijaz Ahmad writes that the nation comes into being “only under particular historical circumstances, as a realization of a hegemonic project, created by a leading class or an alliance of class forces able to muster the requisite power for their act of creation and realization.”9 While not all class movements revolve around nationalist issues, it is the case that all nationalist movements owe their existence to class struggles and should be studied in terms of which class interests are being furthered or hindered.

Yet, the challenges to creating a hegemonic idea of the nation and nationalism in a population differ according to the dynamism of the ruling bloc and the nature of the available protonational material.10 Nationalism in the new world, particularly in the context of the Canadian state, must rely more heavily on banal nationalism than in countries where language and traditions inherited from an agricultural or subsistence past provide a deeper reservoir of protonationalist material. In The Break-Up of Britain, Tom Nairn makes two assertions about the historical development of nationalism. Nationalisms, he argues, look to a mythical past that form the basis for the symbolic material mined, or simply invented, to provide a unique origin for the nation. Nationalism is also forward-looking in that it is focused on economic and social development to catch the leading capitalist countries:
Nationalism is always the joint product of external pressures and an internal balance of class forces. Most typically it has arisen in societies confronting a dilemma of uneven development — ‘backwardness’ or colonization — where conscious, middle-class elites have sought massive popular mobilization to right the balance.\(^\text{11}\)

This is Nairn’s Janus-faced conception of nationalism. One face looks to a mythical past for the purposes of creating an organic unity in the present. The other face looks towards the goal of future. In peripheral countries, regional disparities and underdevelopment are an outcome of their historical place within world capitalist development and have a specific outcome for the content and orientation of peripheral nationalisms. In these countries, the desire to catch the leading capitalist powers has a strong popular appeal, and requires modernization of the society and economy. The competitive international context demands emulation and adoption of advanced features of state and industrial organization. Nationalism in so-called backward countries, therefore, features a national program that is demonstrably both for and against the leading economic and industrial power.

The idea of nation and the phenomenon of nationalism are pivotal ideological structures that are intertwined with processes of capitalist development, state-building, and industrialization. The successful articulation of hegemonic nationalism rests on both the composition and balance of forces within the ruling bloc. The specific nature of Canadian nationalism will come into clearer focus when we consider how much it differs from Nairn’s “Modern Janus.”

**Really Existing Canadian Nationalism** Canada developed firmly within a Western capitalist sphere in which capitalism expanded with an emphasis on relative surplus production and the expansion of spatial frontiers. Canada shared similarities with other white settler colonies of European powers. Borders were drawn that paid little attention to the pre-existing ethnic or linguistic communities. The ability to create a national myth that reached back into the imaginary past was virtually impossible to accomplish as long
as the original inhabitants of the land still occupied it. The overemphasis on mappism in Canadian nationalism is related to its inability to focus myth-making on the human beings who negate the nation by their presence (i.e., the First Nations). European power allowed white settler colonies to overlay new ethnic and linguistic regimes on top of old.

The absence of strong anti-empire popular nationalist or bourgeois nativist nationalist movements is a curious fact of Canadian history and distinguishes it from other advanced capitalist countries. The reason is found in Canada's history of nation formation, and the impact of external pressures and internal balance of class forces. Two factors are responsible for making permeable nationalism the dominant variant of Canadian nationalism. The first is a positive external orientation to empire and minimal emphasis on catching up to leading economic powers. Second, the inward focus necessary to build a Canadian identity harkens less to a mythical past and relies more on strong state support and direction. Thus, Canadian nationalism is curiously nearsighted in both directions in which the Modern Janus gazes.

The permeability of the Canadian social formation to empire is explained in part by the absence of a home-grown revolution and the myths that spring from such an event. For most countries, the struggle against empire is a key process in building a rich and multifaceted nationalism and provides content to their national identity. British North America (BNA) did not face the same pressure to catch up because of North American patterns of economic development and the privileged place it held in the Empire from the early 1800s. The burning embers of backwardness, which fuel so many nationalisms around the world, were cold coals in most BNA colonies. Historically, the Canadian ruling bloc has been oriented to support and deepen investment and exchange relations with the empire. The project of Confederation was to create a BNA-wide sphere of accumulation, and in Alexander Galt's words, a “Dependency of the Empire.”

Canadian nationalism is nearsighted when it comes to its past. Whereas other countries that have also lacked a homogenous make-up have relied on myth-making to unify the population, Canadian nationalism is impoverished on this score. Nairn points out that “nearly all the modern nations have...a myth, the key to their ‘nationalism,’ and the common source of
their political upheavals and regeneration.” Canada’s myth highlights the contradictory nature of Canadian nationalism: it is both for (UK) and against (US) empire. Loyalty to the British crown during the American Revolution is considered central to the birth of Upper Canada, New Brunswick, and to a much lesser extent, Nova Scotia. It is a myth that facilitated incorporation into empire, not independence: Canada “was not born of revolution.”

The resistance of First Nations’ peoples and French-speaking citizens to assimilation prevented a unitary nationalism from developing with strong British content, as was the case in Australia. In the absence of a coherent national myth or process of revolution that would have greatly facilitated the creation of the raw material required for nation formation, the federal state has routinely stepped in to play the role of prime architect of a Canadian identity. Etienne Balibar notes that the notions that a country has a project and destiny are “two symmetrical figures of the illusion of national identity” that solidify the strength of a nationalism. To the extent that Canada has developed a national myth wrapped in the notions of project and destiny, it is the state that has furnished it.

The action-program of Canadian nationalism is not focused on blocking foreign investment and economic influence. Instead, the action-program has placed more emphasis on infrastructure, institution, and state building. This strategy secured the double benefit of facilitating capitalist accumulation and developing a material basis for the Canadian nation in banal nationalist terms. While other advanced capitalist countries in their periods of initial industrialization developed strong bourgeois nationalisms with an independent economic agenda, this was not the case in Canada.

Nationalism from Above and Below Canada underwent initial industrialization without a pre-existing pan-Canadian nationalism that could be used by the state and bourgeois classes as the basis of a dissociative accumulation project. Authors in the transition to capitalism debates have used the terms “from below” or “from above” to distinguish transitions led by a nascent capitalist class versus state-led transitions. The same terminology might be used to describe the construction of nationalism in a country, especially as nation-formation is strongly affected by the nature of the transi-
tion to capitalism. Nationalism from below is a minority current in Canadian history, and the state’s central role in constructing the national identity is rooted in the specificity of the bourgeois revolution in Canada. To this day, nationalism from above is the dominant current of identity formation at the pan-Canadian level.

The bourgeois revolution in Canada was both mediated and protracted. One outcome of the failure of the 1837 Rebellions was that the power of the colonial elite and their whiggish philosophy did not yield to a coalition of agrarians and petty bourgeoisie; nor was the imperial tie to Britain broken to any significant degree. The Canadian transition to capitalism was completed against a background of numerous contradictions, challenges, and compromises: the formation of a new state; the integration of different regional modes of production; English/French tensions; First Nations’ resistance; a vast spatial scale relative to population; the construction of a transcontinental railway; the resettlement and subordination of the Prairies to central Canadian capital; the broadening and deepening of the agrarian class’ subsumption to commodity production; competitive pressures emanating from the United States and the threat of western annexation; north-south pressures for economic integration; and the large labour exodus to the United States. These factors contributed to Canada’s late development. Combined with the absence of a unifying myth or revolutionary legacy, there factors provided a weak basis for independent (dissociative) Canadian nationalism.

Therefore, Canadian identity and nationalism followed the process of Confederation and federal state-building. The federal state was central not only in “promoting capital accumulation in a staples economy,” but also in articulating the national idea and carving out the boundaries of a new nationality. If there was to be even a tepid Canadian nationalism in this period, it was to be led from above. The federal state and ruling bloc took the easy road to national identity, borrowing heavily from the imperial connection, which was in line with its aim of faster growth by opening up the economy to foreign investment and control.

The importance of state activism in infrastructure for nationalism is clear in the continuing resonance of one myth from the Confederation era: the
construction of the transcontinental railway. Throughout the twentieth century, the federal state remained at the centre of Canadian identity formation and nationalism. Agrarian and working-class demands on the state for redistributory programs drove the expansion of the social safety net. Welfare state development, insofar as it reflected the balance of social forces particular to Canada, was itself transformed into a central plank of modern Canadian nationalism. All variants of nationalism in Canada—permeable, nativist, and popular—are significantly state-sponsored and state-centred. Nationalism from above is as Canadian as designing the national ensign by parliamentary committee in 1964.

Towards a Typology of Canadian Nationalism Discussion about Canadian nationalism usually revolves around a two-part nationalist-continentalist typology that “first arose around the National Policy debates a hundred years ago.” Continentalism has been theorized as being in opposition to statist policies and nationalism. Gregory Inwood maps the shifting sands of continentalism and nationalism in Continentalizing Canada. He is correct to point out that where nationalism and continentalism have historically found support on the ideological spectrum does not neatly conform to Left-Right cleavages. Melissa Clark-Jones describes a similar dichotomy in her book A Staple State: Canadian Industrial Resources in the Cold War. She looks at how the Canadian state and ruling class deepened Canadian integration into the American economy in the immediate postwar period. Clark-Jones argues that continental resource capitalism came to dominate the state’s development strategy and that model rested on the articulation of an antinationalism for its successful implementation.

Unfortunately, Inwood and Clark-Jones’ nationalist-versus-continentalist (antinationalist) dichotomy is not particularly helpful when thinking about the Canadian case. Instead, we need to see both continentalist and domestically oriented tendencies as manifestations of bourgeois Canadian nationalism. The former is an associative response while the latter is a disassociative response to empire. Placing Canadian nationalism on a spectrum in which one variant is statist and the other not obscures the manner in which the Canadian state has been central to all articulations of Canadian
nationalism. In what follows, I argue that Canadian nationalism can be theorized as having three main currents: permeable, nativist, and popular. Permeable and nativist nationalisms are bourgeois nationalisms, while popular nationalism finds its social basis in agrarian, working- and new middle classes. Each variety of nationalism prescribes an active role for state involvement to manage and structure national identity.

**Permeable Nationalism** The articulation of Canadian national identity and nationalism for most of Canada’s history has been congruent with the ruling bloc’s accumulation strategy. The capitalist class has utilized both the articulation and management of a national idea as one element in the ideological structure underpinning of the state’s development strategy. In Canada, this has taken the form of a state-centred permeable nationalism that has allowed for some degree of autonomous economic development within the British and American empires in a context of asymmetrical integration with the imperial centre. \(^{23}\) Jane Jenson writes about the interwar period:

> The hegemony of any social bloc depends on an alliance between the staples fraction and others whose activities complete the model of development. Canada’s hegemonic social bloc after the First World War expanded to incorporate increasingly important fractions of capital, including a comprador bourgeoisie growing with the foreign investment that had become a crucial base for ongoing accumulation. Therefore, support for—including protection of—manufacturing *in* Canada, whether by Canadian or foreign capitals, was an essential element of the alliance relations of the interwar social bloc. \(^{24}\)

In the contemporary context, this same dynamic is behind the federal and Ontario governments’ $14.5 billion loan to General Motors and Chrysler even though they are foreign corporations. The structural importance of auto production to the Canadian economy, the transnational nature of auto-parts production, and pressure from autoworkers and their employers realized this outcome. Yet, it is these actors’ articulation of a permeable nationalism that ignores the nationality of capital that continues to stabilize and legitimate continental integration with the United States. \(^{25}\) Under permeable
nationalism, the content and scope of Canadian nationalism and national identity have been narrowed to the cultural and symbolic sphere to facilitate accumulation processes that are externally oriented in regards to investment, technology, and exchange relations.

The nature of Canadian nationalism and its relationship to the ruling bloc has been a central theme in the New Canadian Political Economy. Drache describes the Canadian bourgeoisie as having a particular “nationalism of subordination.” He argues that the bourgeoisie drained nationalism of its progressive content, and used Canadian nationalism to divide the population along regional, linguistic, and class lines. In Drache’s words:

Politically nationalism is a dangerous instrument of class rule. This is no less true for the Canadian bourgeoisie than it is for any other colonial elite. By its very definition nationalism in the colony is an anti-imperialist doctrine. Too much talk of independence and economic development arouses the latently antagonistic national consciousness of the people. This is the explosive, socially progressive, politically formidable side of nationalism which the bourgeoisie seek to defuse. They know also that with national unity or a sufficient amount of national identity the economic state of the country suffers. Hence, the bourgeoisie do not relish nationalism. They look upon it as a tightrope which will bridge the distance between local growth and imperial concern.

Although the term “colony” for 1970s Canada is questionable, Drache does sketch the balancing act with which the ruling bloc is faced. Jack Layton further theorizes and maps the strands of bourgeois nationalism in Canada, making a useful contribution to the debate although he leaves out how bourgeois nationalisms interact with working class or popular nationalisms. Layton describes the division of Canadian nationalism into symbolic and concrete nationalisms:

Both a symbolic nationalism and a concrete economic nationalism emerged in 1958. The symbolic nationalism generated immediate popular response and approval but burned out because of its emptiness and its irrelevance. However, the concrete nationalism was to encounter much more difficulty. The materials to sustain nationalist combustion were absent in the relative prosperity of the early sixties.
In Layton's terminology, symbolic nationalisms rely on political and cultural displays while ceding the economic sphere to foreign capital, while concrete nationalisms take steps to restrict and regulate foreign investment. He then links these two strands to three class fractions: first, the mercantilists who are linked directly to American capital; second, the dependent industrialists who rely on American investment and markets, or service them in a direct way; and third, the independent industrialists in direct competition with American capital. The first two fractions can be expected to articulate only symbolic nationalism. Again, we get an indication from Layton that these articulations are an antinationalism. He writes that “their nationalism is a contradiction, an illusion, a pseudo-nationalism.”31 I disagree with Layton on whether permeable nationalism should be taken as a legitimate manifestation of nationalism in the modern world. It may be insufficiently concerned with an economic nationalist agenda for his taste, but it is a good fit for the chosen accumulation strategy of the ruling bloc.

The conflict between mercantilists and dependent industrialists pointed out by many authors in the 1970s is also overemphasized. In the postwar period both fractions of capital, as Resnick argues, “accept[ed] an important measure of continentalism provided a minimum area of Canadian sovereignty is maintained. On this score, American branch-plant presidents and Canadian bankers see eye to eye….”32 It is the third fraction, the independent industrialists, whom Layton holds out hope will lead the creation of an independent and concrete nationalism: “It is within this independent element that a Canadian nationalistic capitalism might be expected to develop.”33 It is to this second variant of bourgeois nationalism in Canada, nativist nationalism, that I now turn.

**Nativist Nationalism** The dominant variant of nationalism in most advanced capitalist countries during the period of initial industrialization is a type of bourgeois nationalism that I term nativist nationalism. Nativist nationalism is oriented towards the creation and control of a domestic market and a development agenda hostile to foreign investment (e.g., Germany for the Germans). Most leading capitalist countries of the late
1800s exhibited strong, domestically oriented nationalisms that marked their periods of initial industrialization. The Canadian ruling bloc did not imbue the processes of industrialization and modernization with the significance of being part of the national independence project, nor did it aggressively test the chains of empire, as was the case in Sweden and Japan. Nativist nationalism as an adjunct to a domestically oriented accumulation strategy requires strong popular support for a dissociative nation-building project. Blocking or limiting foreign investment, and the privileging of domestic agricultural and industrial producers in a capitalist economy will likely result in slower growth in wages, increased prices for market goods, and reduced standards of living in the short term. Such a path requires the capitalist class to sustain high profit levels, access domestic sources of labour and credit, and develop technology and production processes best suited to domestic conditions. Nationalism becomes a key ideological weapon of the ruling bloc’s arsenal to manage the heightened class conflict that follows from increased (relative and absolute) exploitation of popular classes during the initial phase of industrialization necessitated by an independent accumulation strategy.

Nativist nationalism supported by a dissociative bourgeoisie appeared for a very short period relatively late in Canadian history. We cannot speak of the appearance of a nativist nationalism of the type dominant in most other advanced capitalist countries until nearly 100 years after Confederation. By that time, a Canadian political identity had been established with its own institutional history and some limited myths to draw upon. Nativist nationalism first emerged around 1958, and matured in the 1960s around Walter Gordon and the Committee for an Independent Canada.\textsuperscript{34} The appearance of these bourgeois spokespersons by itself is not surprising. Instead, what is interesting, as Resnick notes, is “how few comparatively these were”\textsuperscript{35}:

In the heyday of American imperialism, the major portion of the bourgeoisie of a dependent country such as Canada came to see its class interest as lying in the closest possible interaction, \textit{short of outright absorption}, with the bourgeoisie of the imperial power, represented in the Canadian economy through the branch-plant.\textsuperscript{36}
The class basis of nativist nationalism was owners of independent Canadian businesses, especially those active in the publishing sector. The formation of the Canadian Federation of Independent Business in 1971 was indicative of the growing strength of this current of Canadian nationalism. Soon after its birth, nativist nationalism was joined by popular nationalism, which together formed an alliance to push a common Canadianization agenda.

**Popular Nationalism** This variant of Canadian nationalism can be oriented to the Left or the Right of the political spectrum. The significant factor is that its class basis is not rooted in monopoly capital or medium-sized business. The class basis of popular nationalism is in agrarian, working, and the new middle classes. To a great degree, popular Canadian nationalism in its contemporary configuration is a phenomenon of English-speaking Canada with little to offer to Quebecois (except in federalist strongholds) or First Nations’ peoples. In fact, popular Quebec, First Nations, and Canadian nationalisms are significantly constructed in opposition.

On the Left, popular Canadian nationalism arose contemporarily with nativist nationalism and was a distinct nationalist variant, even though the two are usually conflated. The first domestically oriented, popular nationalist wave came a full century after Confederation. The time lag demonstrates the importance of lived history as one basis of popular nationalism, and the relevance of later white settlement of BNA for the Canadian national project. The wave of popular nationalism in the 1960s is the only one to resemble Nairn’s “Modern Janus.” It fixed its gaze on both a program of dissociation from the American empire (sparked by opposition to the Vietnam War) and to mining the past to rediscover and construct the historical roots of the Canadian nation.

In an article titled “Class, Nationality and the Roots of the Branch Plant Economy,” Laxer describes the role that class and communal conflict had in undermining a popular nationalism from the Left in the decades following Confederation. He notes that attempts to develop a unitary popular nationalism were wreaked on the shoals of English-French tensions, leading to “a more anemic version…created around narrow economic
questions, such as the tariff. Mild nationalism was the only type that English and French Canadians could agree on.”37 Laxer identifies the comparative weakness of agrarian class organizations in representative politics as a key outcome of communal conflicts, leading to the stillbirth of a dissociative popular nationalism in Canada. This also had serious outcomes for a matching political agenda of liberal access to credit, military preparedness, and low state expenditures.38

Had these policies been adopted, they would have likely aided the development of a dissociative Canadian bourgeoisie and may have led the state’s accumulation strategy onto an independent path. Popular and nativist variants of Canadian nationalism stimulate and feed off one another. They can rarely accomplish their goals without entering into an alliance. Popular nationalism can be oriented either for or against empire, but for nativist nationalism to have an impact on state policy, it requires that popular nationalism be anti-empire. Having sketched the three main strands of Canadian nationalism, I will now discuss how they have interacted in Canadian history.

**Tracing the Lineages of Canadian Nationalism, 1867–1967** The national question has dominated political debate for all of Canadian history. There are multiple and contradictory facets to the Canadian national question. There are internal aspects to the national question that rest on the relationship between the Anglo-dominated Canadian state and the First Nations, Francophones outside Quebec, Quebecois, and non-British or French immigrants. There are external aspects that pertain to Canada’s relationship with the United Kingdom and the United States. The path of Canadian political and economic development has been determined by the response to multiple fractures over the idea of the Canadian nation. The main hurdle in the way of national identity formation in Canada was the excess of viable and vibrant cultures: British, French, American, First Nations, and Canadian. The roots of permeable nationalism in Canada lie in the failure of bourgeois and popular classes to forge a hegemonic Canadian idea that would underpin integral and dissociative nationalism. Reg Whitaker identifies the competing claims on the nation as a key aspect of the Canadian state.39 He argues that
integral nationalism in which “state sovereignty is synonymous with a single cultural, ethnic, and linguistic nationality” never took root in Canada.\textsuperscript{40}

The obstacles to forging an integral nationalism were immense, as seen in the discussion of nationalism from below. The solution adopted by the ruling bloc was as follows: turn a disadvantage into an advantage by leveraging the contradictions of Canadian nationalism to pursue a strategy of dependent accumulation supported by permeable nationalism.\textsuperscript{41} Subordinate status within empire was a key factor in ensuring the higher growth rates necessary to safeguard capitalist development in the absence of an integral nationalism that would “transcend political and social divisions in any single nation.”\textsuperscript{42} Without the option of a strong national idea to manage class conflict, delivering growth and jobs was of overriding importance.

The National Policy of 1879 was the ruling bloc’s main response to the problems of national cohesion, and was designed with the intention to ensure a stable regime of accumulation. It is also a clear example of permeable nationalism at work. Stephen Clarkson points to two characteristics of Canadian capitalist development: first, that it kept the imperial market of the British Empire for its exports, and second, that it developed via an import substitution industrialization strategy; “Canada’s disregard for the nationality of its immigrant entrepreneurs paid off handsomely for several decades.”\textsuperscript{43} The Policy instituted a tariff that created a protected domestic market, yet it was silent on the issue of foreign ownership and did not result in any exclusive aid to Canadian firms. The result was a boom in American branch-plants and the creation of industrial employment in Central Canada. The sizable emigration of Canadians to the United States in the 1870s and 1880s in search of jobs and prosperity had become a national issue (that affected both English- and French-speaking communities) and was an important marker of Canadian backwardness relative to the United States. The First National Policy was successful in forging an alliance between the working class and industrial capital on the basis of common economic interests.\textsuperscript{44}

In fact, labour militancy and a continental labour market had kept wages close to American levels and above British rates in the late 1800s.\textsuperscript{45} This was relevant for Canada’s location in the organic core of capitalist countries and moderated the difference in living standards vis-à-vis the United States.
Many Canadians of British origin took great pride in Canada's status as the principal Dominion within the Empire and of belonging to the world's most advanced “race.” Their membership in civil society organizations reflected this fact.⁴⁶ Canada has held a privileged place in both British and American empires based on its status as a British white dominion. In contrast, India's and Mexico's experiences with empire were entirely different. Therefore, an anti-imperial nationalism was not likely to arise organically among the dominant ethnic group in Canada.

Nor was an anti-imperial content to Canadian nationalism to be cultivated out of popular nationalism between 1867 and 1945, as popular nationalism in that period was distinguished by its pro-empire sentiments. The first popular manifestation of “Canadian” national sentiment was articulated by the Canada First movement, was linked explicitly to empire, and lent support to the dominant articulation of permeable nationalism. Canada Firsters were strongly oriented to the British connection and could be counted on to support the state's maintenance of British symbols and traditions. The movement's appeal was limited outside of Ontario. As Carl Berger writes in *A Sense of Power*:

> Canadian imperialism rested upon an intense awareness of Canadian nationality combined with an equally decided desire to unify and transform the British Empire so that this nationality could attain a position of equality within it. These two ideas have customarily been viewed as separate and mutually incompatible; for imperialists the sense of nationality and the ideal of imperial unity were interlocked and identical.⁴⁷

Here, Berger describes the specificity of Canadian nationalism; it is able to assimilate and coexist alongside ideas that might otherwise seem incompatible. The popular nationalism of Canada Firsters was entirely compatible with openness to empire, which is the central plank of permeable nationalism. The ethnicized basis of Canadian capitalism meant that small capitalists and the petty bourgeoisie were also attracted to the ideology of the British Empire. In other countries, the same stratum would have been at the core of a nativist nationalism. Without nativist and popular nationalisms working in tandem, the outcome was the reinforcement of English-
and French-speaking solitudes and the coping strategy of permeable nationalism.

The British Empire connection was compatible with the dominant Anglo-Canadian national identity of the country as a British Dominion. However, the growing connection with the American empire would generate greater contradictions for the Canadian identity. In the late 1800s, the form and extent of direct investment that American capital took in resources and manufacturing was new. Leo Panitch argues that the rich domestic market was at the root of inflows of American manufacturing capital. The Canadian state, he argues, acquiesced to safeguard the country for capitalism, even if it meant turning to foreign capital to achieve this goal. William Carroll writes that one outcome of this accumulation strategy “is a national economy whose predominate norms of production and consumption seem highly derivative from the American example … [I]n English Canada the American influence extends very deeply into the area of cultural reproduction.”

High levels of foreign ownership in the first decades of the 1900s were not in themselves a threat to a separate state and distinct jurisdiction for accumulation north of the 49th parallel. The Canadian state and ruling bloc were able to strengthen their position, and that of Canadian capitalism, by opening avenues to foreign direct investment and realizing the productivity gains of American technology and production techniques. Reliance on the British tie then became doubly important to balance the cultural contradictions of the branch-plant economy. Fortunately for the Canadian state and those capitalists allied with it, a separate Canadian social formation was also in the interests of American branch-plant capital. To protect their share of a small but rich market, branch plants lent their support through the Canadian Manufacturers’ Association to maintain the tariff in the 1911 election on reciprocity. The entry of America capital into the Canadian ruling bloc had two outcomes: it stabilized the status of foreign capital in Canada by domesticating it, but it also placed a check on the future development of a dissociative Canadian nationalism.

The Shift from the British to the American Sphere  Canada’s place as a loyal member of the British Empire gave it access to the imperial identity
even if, for large sections of the population (aboriginal, non-British immigrant, and francophone), it meant a subordinate position in the hierarchy of the nation. The dominance of Montreal merchant capital in Canadian financial circles and its reliance on metropolitan relationships reduced the likelihood of a political rupture with the Mother country. Canadian industrial capital also supported the British connection, as the access gained to colonial markets allowed capitalists to manufacture American designs for sale within the British Empire. The British preference for Canadian investments had as much to do with profitable investment opportunities as a popular perception of Canada as a loyal dominion. Strong trade links between Britain and Canada explain much of English-speaking Canada’s support for its place in the British Empire.

The Canadian ruling bloc’s pursuit of integration with American empire while maintaining political cohesion faced its greatest test in the post-World War II period. The suppression of a nativist or popular nationalist reaction was key to maintaining the strategic bargain with American capital. Inwood writes that “Overall, in return for privileged access for American investors to Canadian resources, Ottawa received conditional exemptions from American economic measures that might otherwise threaten the Canadian economy.” Nativist and popular nationalism had long been viewed as a “disease by spokesmen for all social classes, while the very development of the country seemed to hinge on the closest possible relations—political, no less than economic—with the United States.”

The British component of the national identity became increasingly difficult to sustain under pressure from Quebec nationalism and third-force Canadians in the 1960s. The tangible examples of Canadianness continued to develop (e.g., Canadian citizenship and passports, a Canadian Supreme Court), and they were both indicative of, and fed into, a growing belief in Canada’s distinctiveness. As the British roots of Canadian culture continued to erode, the state was compelled to respond and refound the basis of the national identity with greater Canadian content. It did this by striking the Massey Commission and moving aggressively in the cultural field to shore up the Canadian identity. In culture, politics, and even economics, the ruling bloc responded to shoring up a minimal level of national sovereignty.
In *The Land of Cain*, Resnick notes that it was members of the big bourgeoisie who first stirred in the direction of nativist nationalism in the 1955–1965 period: “Where the big bourgeoisie is concerned, its class interests dictated some measure of autonomy from the American bourgeoisie, *if only to justify its privileged position in the expropriation of surplus value from the wage earners of the country.*”\(^5^5\) Once opened, the Pandora’s box of nativist and popular nationalism would not be closed easily. For the first time since Confederation, the big bourgeoisie would soon be on the outside looking in when it came to setting the form and content of Canadian nationalism. The powerful alliance between popular and nativist nationalism drove the emergence of the first dissociative nationalist movement in the country’s history, forcing a response on the part of the state.

**The Rise of Popular Nationalism, 1967–1984** In the 1960s, Canada was the world’s leading recipient of foreign direct investment (FDI). By 1967, 18 percent of world FDI was located in Canada.\(^5^6\) Aggregate FDI in Canada exceeded the total in the United States in real terms, even though the latter was 10 times the size. The preceding years had witnessed an acceleration in the depth and scope of foreign ownership as part of the state’s postwar accumulation strategy. These developments prompted calls for the state to take action to protect the Canadian economy.

The popular nationalism of the late 1960s had a very different class configuration from permeable and nativist nationalisms. Popular nationalism was based in a broad cross-section of the public: the new middle class, workers, and sections of the intelligentsia, students, and artists. Walter Gordon, former Royal Commission chair and cabinet member, was a key figure to start the movement off on a nativist nationalist trajectory, but the growing attraction of New Left thought soon posed a Left popular nationalist challenge to the reform agenda. The tension between these two variants and differences over the policy response required of the state would soon undo their alliance. But, for a time, both variants found common ground in their demands for state action to regain domestic control of the economy.

The Canadian state responded to these pressures by taking three steps: moving to slow the growth of foreign ownership in the economy (e.g., the
Foreign Investment Review Agency or FIRA); supporting Canadian capitalists in gaining control of key sectors (e.g., Canadian Development Corporation, the National Energy Program); and pursuing an aggressive strategy of state and nation building. The components of this last thrust were an expansion of the welfare state, bilingualism, multiculturalism, and constitutional reform. These moves continued the tradition of Canadian state leadership on the terrain of national identity. Popular nationalism of the period took greatest hold in English-speaking Canada and reflected a confident new identity. Resnick explains:

The wave of English-Canadian nationalism that hit during that period—critique of American policy in Vietnam, of American domination over the Canadian economy, trade union movement, magazines, publishing, university curricula, and much besides—struck a responsive chord. And it coincided with a number of changes internally—the deepening of the welfare state, the extension of the postsecondary educational system, the celebration of Canada’s centennial and Expo 67, the emergence of a new generation of English-Canadian novelists and playwrights, artists and filmmakers less interested in making it in the United States than in addressing the Canadian experience on its own terms. These new currents found a receptive audience across the country and seemed to herald a maturing of English-Canadian identity … that much like Québec nationalism, was dependent on a good deal of state support to help get it off the ground.57

Popular nationalism focused on the protection and encouragement of Canadian culture, and the aggressive Canadianization of the economy. Its vehicle was an activist federal state. Predating the explosion in popular nationalism by a few years, nativist nationalism’s program was focused on state subsidies and the use of the state to further Canadian capital’s acquisition of foreign-owned assets. One example of the nativist action plan is Walter Gordon’s 1963 budget that used tax incentives to encourage foreign companies to sell shares to Canadians.

Yet, nativist nationalism in Canada was always a weak bloom and shared common associative leanings with permeable nationalism. After more than 100 years of nurturing a “global nation,”58 almost no Canadian capitalists argued for an economy that was strongly domestically oriented in investment
and trade. Jorge Niosi describes the variant of nativist nationalism that appeared in the 1960s and 1970s as a continental nationalism:

Continental nationalism involves the expanded reproduction of the Canadian bourgeoisie in its existing and traditional forms: as a mainly financial-commercial and resource-related class. The strategy is not intended to alter Canadian technological dependency, to build up our truncated industrial structure, or to make Canada more independent of the American economy…The only change such a strategy will bring about is that more of the companies producing these primary resources will be Canadian.59

Nativist nationalism in the Canadian context attempted to regain control of entire branches of the economy for Canadian capital, yet did not represent a full break from permeable nationalist ideas and supported continental integration. This was a crucial factor that led to the collapse of the popular/nativist/nationalist alliance and undermined nativist Canadian capitalists’ courage when access to the American market appeared unsure in the early 1980s. Niosi argues that continental nationalism “is in fact a compromise that has been worked out between the more conservative elements of Canadian business, who want less government intervention, and the more nationalist wing of industry and the upper state bureaucracy, who advocate a full-fledged industrial policy.”60 He is accurate to see this as a short-lived development strategy driven by the state and a particular section of the Canadian bourgeoisie, and supported by an upwelling of popular nationalism in the 1970s.

The upsurge of nationalism in this period is related to changes in the landscape in both directions in which the “Modern Janus” gazed. A century of building national sentiment among Canadians had resulted in sufficient attachment to the sufficient attachment to the country that nationalists could claim to be protecting something unique from American influence. The upsurge in anti-imperialist sentiment, especially sparked by opposition to the Vietnam War, provided a popular basis for anti-empire feeling that had never before reached such levels in Canada. Foreign ownership in the economy prompted fears of underdevelopment and looming backwardness. The dominance of permeable nationalism was thus contested for a time.
State activism had the intended outcome, as the sought-after normalization of Canada along the lines of other advanced capitalist countries took hold:

The level of foreign control of non-financial Canadian corporate assets fell from 35.3 percent in 1968 to 23.8 percent in 1984, manufacturing declined from 58 to 44.1 percent, mining and smelting from 65 to 35 percent, oil and gas from 64 to 57 percent, rubber products from 95 to 92 percent, and petroleum from 99 to 59 percent. 61

What finally brought the period of popular and nativist nationalism to a close is evidenced in the reorganization of permeable and nativist supporters into the Business Council on National Issues (BCNI) in 1976 and the broad neoliberal attack launched on the state. 62 The quick growth of social programs during the 1970s, a key component of state-centred popular nationalism, gave Canadian capitalists pause. When the agenda shifted into the creation of crown corporations that would displace both domestic and foreign capitalists from the sphere of accumulation, nativist nationalist support for the disassociative agenda dwindled. The BCNI worked to unite both nativist and permeable nationalist camps behind continental integration. Canadian capitalists abandoned their mild nativist nationalism for deep integration and permeable nationalism in the 1980s. Ultimately, the growing size and scope of the state’s role in the economy was a dealbreaker for Canadian capitalists. To shrink the state, they had to defeat the new variant of popular nationalism that was so strongly supported by state activism. 63

Permeable Nationalism Strikes Back, 1984–2010 The unintended consequence of popular and nativist nationalist success in the 1970s to refound the Canadian identity and Canadianize the economy was that it created the terrain upon which the ruling bloc organized its counterattack. The ruling bloc’s deep integration strategy was aided by the fact that high levels of foreign ownership, uncertainty about Canadian culture, and confusion about the English-Canadian identity had all abated by the early 1980s. The state-led nationalist legacy of the previous two decades had helped re-establish a modicum of domestic control over the economy and created a number of new touchstones for the Canadian national identity. These new com-
ments of identity were by no means universally accepted by the general population, but they did re-establish the basis for a popular understanding of Canadian distinctiveness from the United States.

Under the leadership of the BCNI, the most powerful elements of the Canadian capitalist class unified behind the project of trade and investment liberalization. A key part of the strategy to constrain state activism was the Canada-US Free Trade Agreement (FTA) negotiated in 1986–1987. In selling the FTA, the Tories and the business community continually made the point that the Canadian economy and business community had matured and could take on American capital at home and in the United States and win. The broad coalition response by the Pro-Canada Network was the high-water mark for Left popular nationalism. Continental free trade was only one aspect of the neoliberal agenda. A sustained effort to transform the Keynesian state had begun in the 1970s. Since the early 1980s, the fiscal crisis of the state affected the strength of popular nationalism. As a movement, it was supported by state patronage, while popular nationalism’s main policy agenda advocated an expansion of the state’s role in society. McBride and Shields argue that the crisis had repercussions for the national question:

The uncertainty surrounding national survival (or maintenance of sovereignty) is, in our view, tightly linked to the state’s strategy for facilitating capital accumulation in the period of permanent recession—a strategy which has relied on market mechanisms rather than state involvement—and on its failure, in the same period, to perform legitimation activities adequately.

Cuts to social programs and the privatization campaign of the 1980s and 1990s undermined the vibrancy of the state’s place as the fountain of Canadian national identity. Yet, the centrality of the federal state for post-1984 Canadian nationalism should not be overstated. It is a measure of the success of nation building in the 1960s and 1970s that the outcome of state policies—especially for a generation of younger Canadians—has an given modern Canadian nationalism an organic, nonstatist character.

The 1988 federal election witnessed perhaps the most emotional outburst of popular nationalism in modern English-Canadian history, yet this was
quickly eclipsed by a return to historical patterns of Canadian nationalism. By the late 1990s and early 2000s, economic integration with the United States had never been higher (between 81 and 83 percent of exports, 70 and 75 percent of imports), but these levels have not sparked widespread concern, nor did the 2004–2007 wave of foreign takeovers. The lack of a contemporary popular reaction to these developments reflects both a general weakness of the social-democratic and socialist Left, and the neoliberal consensus at the federal level among all parties. It is also in keeping with longer-term trends in Canadian economic nationalism since Confederation. It remains to be seen whether the ghost of popular nationalism will be stirred by the rotten fruits of the deep integration agenda as deindustrialization takes hold in southern Ontario and foreign ownership rises in resource industries.

**Conclusion** I have argued that class conflict on the terrain of national identity and nationalism has been a central dynamic in Canadian history, with consequences for the accumulation strategy of the state and ruling bloc. The two paths of the transition to capitalism—from below and from above—have an impact on the transition to nationalism. Canadian nationalism is decidedly a process driven from above. The state’s active role is rooted in the failure of the bourgeois revolution to forge an integral nationalism from below that likely would have stamped the social formation with an anti-empire orientation and forged new myths and bases of unity for a nationally divided polity in the process. Instead, we have inherited a Canadian nationalism, which is curiously nearsighted in both directions of the “Modern Janus” gaze.

The Canadian ruling bloc has turned to the state to provide the prerequisites for capitalist development, and eschewed a dissociative development strategy to nurture a long-standing alliance with British, American, and other foreign capitals. The ruling bloc has successfully pursued an empire-oriented accumulation strategy without a populist nationalist backlash because of the dominance of permeable nationalism. Permeable nationalism has been used to legitimate deep integration with the United States and asymmetrical development. A permeable accumulation strategy was adopted
to increase growth rates and safeguard Canadian capitalism during the period of initial industrialization.

This accumulation strategy, however, raised its own contradictions due to the continual erosion of the basis of national identity that followed. Permeable nationalism’s dominance was challenged successfully by a popular and nativist nationalist alliance in the 1960s and 1970s. It resulted in a change in the articulation of Canadian nationalism from a permeable nationalism that was near hegemonic, to one in which the dissociative emphasis was much stronger. The state, acting in concert with these dissociative nationalist strains, embarked on a set of state-centred, nation-building policies that refounded the Canadian national identity on a modern basis. Yet, even nativist continental nationalism was a weak bloom and was pervaded by permeable nationalist associative strategy. The threat to domestic and foreign capital posed by the state’s intervention in the market resulted in the dissolution of the popular/nativist alliance.

The state’s role as the blunt edge of dissociative development strategies had been a rare bird in Canadian history. The unexpected consequence of the success of Canadianization in the 1970s was the facilitation of the big bourgeoisie’s pursuit of deep continental integration and the locking in of neoliberalism. The BCNI was central in knitting the ruling bloc’s coalition back together once again on the basis of a permeable accumulation strategy. The goal of this strategy was scaling back the role of the state, and has thus dealt Left popular nationalism a double-blow. Class conflicts on the terrain of nationalism have an impact on the state and ruling bloc’s accumulation strategy, as seen in the 1960s and 1970s. But, so too does class struggle over capital’s accumulation strategy have an impact for the particular articulation of Canadian nationalism that becomes dominant. Canadian nationalism and the ruling bloc’s accumulation strategy are dialectically related.
Notes

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8. Ibid., p. 96.


10. I use “hegemonic idea of the nation” and “hegemonic nationalism” in the sense of creating an allegiance to the nation that appears natural and unquestioned by the vast majority of the population of a state. Within a state where nationalism is hegemonic, any competing claims to the territory of the nation are overwhelmingly viewed by the population as illegitimate. Pan-Canadian nationalism has never been hegemonic for all citizens of Canada. Canadian nationalism has been dominant in Canada, but has never been without challenges from First Nations nationalisms, Quebec and French-Canadian nationalism, British-Empire nationalism, and American nationalism.


18. I thank Alan Zuege for the phrasing and insights contained in this paragraph.
21. See Melissa Clark-Jones, A Staple State: Canadian Industrial Resources in the Cold War (Toronto: University of Toronto Press, 1987).
22. See Inwood, Continentalizing Canada, Chapter 1, especially figure 1.1, p. 24.
23. I am grateful for one reviewer’s help in phrasing this point.
25. It may be true that capital has no nationality, or that thinking about capital in such a way obfuscates the larger patterns of capitalism as a world system. However, corporations do have hierarchical structures and head offices where decisions are made, and in the case of North American automakers or the steel industry, appearing to make concessions to US manufacturing jobs is extremely useful when negotiating with the American state. In such a context, the only policy option left to the Canadian government is to match and follow the American lead.
29. Ibid., p. 10.
31. Ibid., p. 232.
36. Resnick, The Land of Cain (italics added). In a later book, The Masks of Proteus, Resnick rejects the use of the term “dependent” to describe Canada, arguing instead that the country had moved to the “perimeter of the core.”
40. Ibid., p. 49.
41. William Carroll makes the point that capitalist development is heterogeneous and there is no model against which countries can be measured. Carroll critiques the dependency school for focusing on the “abnormality” of foreign ownership in Canada. When seen from an international perspective, he argues, capitalism is extremely heterogeneous and nowhere presents itself in a model form. I agree with this interpretation of the heterogeneity of the capitalist system. This paper attempts to demonstrate the different variants of nationalism necessary for this heterogeneity to arise and remain stable. See William Carroll, Corporate Power and Canadian Capitalism (Vancouver, BC: UBC Press, 1986).

42. Benner, Really Existing Nationalisms, p. 8.


46. For example, the Imperial Order of The Daughters of the Empire saw their role as spreading British civilization. The refusal of Canadians of British origin to join with French Canadians in creating a new Canadian identity ensured that the French Canadians, and, later, Quebecois identity, would be forged in opposition to empire—both British and Canadian. See Paula Hastings, “Our Glorious Anglo-Saxon Race Shall Ever Fill Earth’s Highest Place: The Anglo-Saxon and the Construction of Identity in Late-Nineteenth Century Canada,” in Phillip Buckner and R. Douglas Francis, (eds.), Canada and the British World: Culture, Migration, and Identity (Vancouver, BC: UBC Press, 2006).


49. Carroll, Corporate Power and Canadian Capitalism, p. 207.

50. See Craven and Traves, “Class Politics of the National Policy.” In the case of the competing policies at issue in the 1911 election, we have two fractions of permeable nationalism being articulated, rather than the usual interpretation of nationalism contesting continentalism. One permeable nationalist fraction (Borden) favoured a modest economic nationalism to build a permeable domestic market while the other (Laurier) supported much deeper economic integration with the United States. This provides some evidence of the dominance of permeable nationalism in Canadian history.

51. See Glen Williams, Not for Export: The International Competitiveness of Canadian Manufacturing 3rd ed. (Toronto: McClelland & Stewart, 1994). Williams documents how production for the Empire was a conscious strategy pursued by the Canadian state.

52. Inwood, Continentalizing Canada, p. 28.


54. For an overview of the extent and politics of state intervention on the terrain of culture, see Ryan Edwardson, Canadian Content: Culture and the Quest for Nationhood (Toronto: University of Toronto Press, 2008).


58. Steven McBride uses this term to describe the openness Canada has long had to the world economy in Paradigm Shift: Globalization and the Canadian State.


60. Niosi, “Continental Nationalism.”

61. Joel Bell, cited in McBride and Shields, Dismantling a Nation, p. 150.
62. The collapse in the price of oil in the early 1980s also changed the assumptions upon which the NEP was constructed.

63. See Inwood’s account in _Continentalizing Canada._

