The rediscovery of Canadian political economy — a creative fusion of Latin American dependency theory, European marxism and our own home-grown Innisian political economy, developed to explore the reasons for Canada's position as a rich but underdeveloped country — cannot be understood without reference to the Waffle. It was primarily through the Waffle, and the broader anti-imperialist New Left to which it gave voice, that whole new vistas were opened up in the study of Canadian history, politics, culture, economics and geography. As students, many of us eagerly attended the lecture series that was later to be published in *Canada Ltd.* We spent nights debating the 'Naylor thesis': was Canada a 'rich but underdeveloped' country? Was the victory of merchant over industrial capital in the late nineteenth century a pivotal development of Canadian economic history? Or had such distinctions been rendered irrelevant by the advent of monopoly capitalism? Was Canada simply a dependent nation or was it a 'sub-imperialist' power? Was the state an instrument of American capital? Of our own 'comprador' bourgeoisie? Or was it something more complex? Was the 'business unionism' of the Canadian labour movement due to the predominance of the so-called 'internationals'? On what basis could we join forces with left nationalists in Quebec?
In pursuit of answers, we searched long forgotten texts by Innis, Creighton, Ryerson, MacPherson and others to learn more about the ‘staples thesis,’ the empire of the St. Lawrence, the 1837 rebellions. Some of us nearly ruined our eyesight reading poorly photocopied versions of Pentland’s then unpublished PhD thesis which gave us our first taste of Canadian labour history. We rushed to the bookstores to purchase Wally Clement’s first book. More than just an ‘update of Porter’, *The Canadian Corporate Elite* showed how the modern-day descendants of Naylor’s merchant-financiers remained alive and well, albeit in an asymmetrical partnership with American industrial capital.  

The paradox of Canada’s position as a ‘rich dependency’ constituted the central focus of these debates. While important work was done on the role of the petite bourgeoisie and the working class, it was the Naylor thesis, with its emphasis on the nature of the dominant class in Canada, and its external ties, that held centre stage. A little work was done on native people — undoubtedly because of the valiant struggle of the Dene which caught the attention of white southerners in the mid-1970s — but, with the exception of Quebec, the new political economy paid scant attention to questions of race and ethnicity. Gender questions too remained at the margin of Canadian political economy despite the fact that its progenitor, the Waffle, was very much enlivened by issues put on the agenda by the contemporary women’s movement. In other words, feminist political economy there was, but after the death of the Waffle, it grew alongside the new Canadian political economy. Maroney and Luxton are thus right to argue that there were two political economies, not one, and there was little in the way of a constructive dialogue between them until the 1980s.

The role played by various classes and class fractions in shaping Canada’s trajectory as a rich dependency was one of the principle issues enlivening the debates of the new Canadian political economy. The role and nature of the Canadian state constituted another important axis of debate. We are all by now familiar with the famous ‘relative autonomy vs instrumentalist’ positions on the state. This debate
crackled through the pages of the Panitch book, with some of us arguing for relative autonomy while others documented the instrumental ties binding the state to capital. What is often forgotten is that the whole issue has a wider political importance.

That is, it is not simply an academic question but one which goes to the heart of strategic debates. The Waffle’s position seemed to be instrumentalist in a double sense. The state was seen by Naylor and Hutcheson as an instrument in the hands of foreign and indigenous ‘comprador’ capital. At the same time, it was viewed as a potential instrument for social transformation. Thus Jim Laxer could argue that,

it is in the interest of North American capitalists to weaken the Canadian state and to limit it to the passive function of maintaining a peaceful and secure climate for investment. In contrast, it is in the interest of Canadian socialists to resist any decline in our national sovereignty.

At times, however, a more Gramscian view surfaced in which electoral struggles to win control of the formal state apparatus were seen as but one of many arenas of struggle in which the new party was to play a unifying role. Strategic differences thus constituted the subtext of the debate within the Waffle on the role and nature of the state. In the new political economy this dimension was often forgotten for reasons I shall go into below.

These debates on the nature of the dominant class, the role of the petite bourgeoisie and/or the working class, and the state’s relation to these various classes continued on into the 1980s. At political economy sessions at the Learners, in the pages of Studies in Political Economy, Canadian Dimension and This Magazine such issues were routinely raised. They gave the Canadian Left an intellectual vitality which attracted new adherents and won the sometimes grudging, sometimes open, respect of those in the academic ‘mainstream’ — at least outside of economics!

Canada, of course, was not alone in experiencing the emergence of a vibrant Left in the halls of academe. During the late 1960s and through a good bit of the 1970s, there
was a flowering of marxist and feminist scholarship in most advanced capitalist countries. What was, perhaps, somewhat unique was the way in which the new ideas — or the rediscovery and reworking of older ideas — were put to use in analyzing the specificity of Canadian capitalism. Even the so-called ‘metropolitan marxists’ were forced to ponder the peculiarities of Canadian class structure and the Canadian state and this was due in no small part to the way the Waffle had defined the agenda.

The story could stop here but this hardly seems appropriate at a time when the Waffle’s worst fears seem about to be confirmed. The Mulroney government seems bent on dismantling the remaining barriers to full-scale integration into a declining American empire. The Free Trade Agreement (FTA) is the most obvious example of this but it is not hard to find others, as the complex east-west communications network that provided the fragile infrastructure binding the country together is being dismantled and handed over to ‘the private sector’ — to say nothing of the ‘Meech discord’ that cuts across party lines. It thus seems appropriate to consider the new Canadian political economy’s contribution to the current struggle.

Canadian political economists have made a substantial contribution to the fight against the consolidation of a continental capitalist economy. People like Duncan Cameron, Mel Watkins, Daniel Drache and Marjorie Cohen were very active in the Pro-Canada Network. They and others have done important work showing how the FTA constitutes a threat to all workers, not the least to women employed in the most vulnerable branches of Canadian manufacturing and in the service sector. They have mustered cogent arguments concerning the threat to social programs, the environment and Canadian culture. In all of these ways they have played an indispensable part in documenting the Pro-Canada case.

At the same time, the opposition had a curiously defensive ring to it. We seem almost to have forgotten our earlier critique of the status quo in our effort to defend it from something worse. This weakness partly reflects the absence of a Waffle-like formation. The opposition to the FTA had
to be cobbled together from the many sites of progressive struggle and it had to discover a common strategy quickly if it were to act before the agreement was ratified. Perhaps if the Waffle — or the “movement for an independent and socialist Canada” as it was called for a while in Ontario — had survived, the basic elements of such a strategy, enriched by the contributions of the now much stronger women’s movement and strengthened by the advances made within the labour movement and other parts of the popular sector, might already have been worked out and we would have been able to meet the challenge head-on.

We will never know whether the free trade battle would have turned out differently had the Waffle survived. But its demise had a profound impact on the new Canadian political economy which, I think, became tragically apparent in the fight against free trade. In other words, the new political economy was really born as the Waffle was dying and the New Left, in general, was in retreat. The political setbacks that marked its birth, in turn, cast their shadow on it. From the outset, the new Canadian political economy suffered from ‘Cassandra’s dilemma’.

As you may recall, Cassandra was that classical figure, blessed with the ability to foresee disasters, but cursed by the fact that her warnings would never be believed. Like Cassandra, both the Waffle and its progeny ‘foretold’ that the ties of dependency binding Canada’s economy and culture ever more closely to the US could one day take on a more formal character. The Waffle sought to prevent this outcome by trying to build a movement for an independent and socialist Canada. Its academic orphan, however, proved incapable of carrying on the task of inspiring resistance.

This failure cannot be attributed solely to the fact that it was only an intellectual movement, not a party; intellectual movements in the past have helped to feed the formation of transformative forces. The new Canadian political economy might have been able to breathe new life into the Waffle project had we been able to round out our analyses of the structure of domination by showing that something could be done to change the course of history. Had we told our story in ways that showed that historical action is not
just the prerogative of elites - the people can act and their actions can make a difference - then we might have escaped Cassandra's fate. It was difficult for us to do this, however, as we were subconsciously affected by the political reversals suffered by the Left in Canada and elsewhere. It made sense, in this context, to probe the bases of bourgeois power, showing how the state — whether as 'instrument' or 'relatively autonomous structure' — could use repression and concessions to contain dissent. Conversely, it seemed utopian to raise questions of 'agency' or to think seriously about alternatives to the status quo.

This is not to say that most of the work produced by adherents of the new Canadian political economy did not at least implicitly call for struggle against the system they described. Nor did we completely neglect the question of alternatives. Nevertheless, when we did attempt to address such questions, our prescriptions remained too 'statist' or too state-centred, with little attention to the way that shop-floor struggles, the fight for gender equality and for the environment might make a substantial contribution, not only to advancing but also to defining, our socialist alternative.

In saying this, I do not intend to provide a leftist chorus to the neo-conservative attack on the state as such. What I am arguing is that such state-centred prescriptions ignore other, equally vital terrains of struggle, struggles which necessarily require the active participation of the people themselves, rather than their passive acquiescence in the action of their political representatives.

These kinds of issues — action through the state versus action in civil society — were debated in the Waffle. The Waffle, after all, was part of the Canadian New Left and its members included those active in the fledgling women's movement, tenants associations and the unions. All of them emphasized the importance of extra-parliamentary activity in developing the basis for a new society within the bosom of the old. We will never know whether these debates might have come to the kind of creative resolution needed. We do know, however, that in the absence of such a forum for political debate, many of the new Canadian political eco-
nomists gravitated toward the kind of ‘functionalist’ critique for which we have been duly criticized.

Fortunately, I do not have to close on a pessimistic note. Although ‘Mulroneyism’ seems to be setting the agenda today, the fight against the FTA began to bring the fragments back together, creating the rudiments of the kind of alliance of which the Waffle once dreamed: a much-altered trade union movement, a stronger, self-confident women’s movement, a renewed environmental movement, Native peoples struggling for the right to control their own lives, farmers fighting the encroachment of ‘agri-business’ and the churches calling for the foundation of a society which places human need before corporate profits. This fledgling popular coalition may have lost the 1988 electoral battle but the war is far from over. It is being fought on many fronts: in the work place and within the state where the unions and feminists are fighting to shape the very structure of work as well as the distribution of income; in the complex of arenas that together map out the conditions for reproductive choice — the abortion struggle, the fight for universal, quality daycare, the struggle to redefine the length of the normal working day; in the fight for ‘quality of life’ that is taking place in both northern and southern communities. In this context, it may no longer be utopian to raise the questions of ‘agency’ and of alternatives. In other words, the political conditions seem propitious for Canadian political economy to rid itself of Cassandra’s curse and, with renewed vitality, make its contribution to this larger project.

Notes

Studies in Political Economy


6. Tom Naylor, "The Rise and Fall of the Third Commercial Empire of the St. Lawrence," in Gary Teeple (ed.), *Capitalism and the National Question in Canada* (Toronto: University of Toronto Press, 1972) and J. Hutcheson, "The Capitalist State in Canada" in Laxer, *Canada* Ltd...