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# The Promise of a More Abundant Life: Consumer society and the rise of the managerial state

Bettina Liverant

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### Résumé de l'article

Dans les premières décennies suivant le tournant du siècle, l'augmentation du coût de la vie a fait l'objet d'une controverse au Canada et partout dans les pays industrialisés. Selon les observateurs, aucun autre sujet n'a davantage retenu l'attention. La hausse des prix a eu pour effet d'exacerber les conflits salariaux de même que la tension entre les valeurs liées aux formes traditionnelles de la production et l'acceptation de nouveaux comportements d'achat. Le présent article explore le lien qui s'est formé entre les consommateurs canadiens et l'État managérial autour des enquêtes sur les transformations du coût de la vie. Afin de mesurer les fluctuations du prix des biens et services, il est devenu nécessaire d'examiner les habitudes de consommation de la population canadienne. Ce processus de collecte et d'exploitation statistique de données a aidé à fixer de nouvelles normes de consommation et à établir, dans le vocabulaire de l'administration publique, la catégorie du citoyen canadien comme débourseur — et non plus seulement comme receveur — d'un salaire. En se penchant sur la consommation, c'est-à-dire en représentant, en mesurant et en classant les habitudes d'achat changeantes de ses citoyens, l'État a élargi son mandat et aidé à façonner l'identité naissante des Canadiens à titre de consommateurs.

# The Promise of a More Abundant Life: Consumer society and the rise of the managerial state

BETTINA LIVERANT

## **Abstract**

*In the decades following the turn of the century, the rising cost of living was a subject of controversy in Canada and throughout the industrialized world. No other topic, observers often noted, commanded more attention. Rising prices exacerbated wage disputes, and intensified tensions between traditional producer values and the acceptance of new patterns of purchasing. This article explores the bond formed between Canadian consumers and the managerial state by the investigation of changes in the cost of living. In order to measure changes in the prices of goods and services, it is necessary to examine the consumption practices of Canadians. This process of data collection and collation helped to normalize new consumer behaviours, and embedded the category of the Canadian citizen as a wage spender, as well as a wage earner, in the workings of government. By engaging with consumption, that is by representing, by measuring, and by categorizing the changing purchasing practices of its citizens, the state expanded its mandate and helped to shape the way Canadians came to see themselves as consumers.*

## **Résumé**

*Dans les premières décennies suivant le tournant du siècle, l'augmentation du coût de la vie a fait l'objet d'une controverse au Canada et partout dans les pays industrialisés. Selon les observateurs, aucun autre sujet n'a davantage retenu l'attention. La hausse des prix a eu pour effet d'exacerber les conflits salariaux de même que la tension entre les valeurs liées aux formes traditionnelles de la production et l'acceptation de nouveaux comportements d'achat. Le présent article explore le lien qui s'est formé entre les consommateurs canadiens et l'État managérial autour des enquêtes sur les transformations du coût de la vie. Afin de mesurer les fluctuations du prix des biens et services, il est devenu nécessaire d'examiner les habitudes de consommation de la population canadienne. Ce processus de collecte et d'exploitation statistique de données a aidé à fixer de nouvelles normes de consommation et à établir, dans le vocabulaire de l'administration publique, la catégorie du citoyen canadien comme*

*débourseur — et non plus seulement comme receveur — d'un salaire. En se penchant sur la consommation, c'est-à-dire en représentant, en mesurant et en classant les habitudes d'achat changeantes de ses citoyens, l'État a élargi son mandat et aidé à façonner l'identité naissante des Canadiens à titre de consommateurs.*

In the decades after the turn of the twentieth century, the rising cost of living was a subject of controversy in Canada and throughout the industrialized world. No other topic, observers often noted, commanded more attention. Rising prices exacerbated wage disputes, and intensified the struggle between traditional consumer values such as work, self-restraint, and thrift, and the acceptance of the new comforts and patterns of consumer purchasing, and with values, such as convenience, novelty, brand awareness and mass appeal. With so many affected and no clear understanding of causes or solutions, appeals for government involvement mounted. Those purporting to speak on behalf of the consumer — the press, social reform and labour leaders, women's groups — called for investigation and intervention. In response to public outcry, the federal government conducted two inquiries into the cost of living, the first in 1909–1910 and a second in 1913–1914.<sup>1</sup>

This paper explores the bond formed between Canadian consumers and the managerial state by these processes of investigation and the application of administrative techniques to consumer practices. In order to measure changes in the costs of goods and services, it was necessary to measure the consumption habits of Canadians. This process of data collection and collation helped to normalize new consumer behaviours and embed the category of the Canadian citizen as a wage spender, as well as a wage earner, in the workings of government. By engaging with consumption, that is by representing through measuring and categorizing the changing purchasing practices of Canadians, the state expanded its mandate and helped to shape the way Canadians came to see themselves as consumers.<sup>2</sup>

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1 The author would like to gratefully acknowledge the support and suggestive reflections offered by supervisors Doug Oworm, Beverly Lemire and Joy Parr as they read earlier drafts of this paper. Thank you also to the anonymous readers of the *Journal* for their critical comments, encouragement and generous commitment of time.

2 This interpretation draws upon the essays collected in G. Burchell, C. Gordon, and P. Miller, eds. *The Foucault Effect, Studies in Governmentality* (Chicago: University of Chicago Press, 1991); on the discussion of systematic sorting in M. Foucault, *Discipline and Punishment: The Birth of the Prison* (New York: Vintage Books, 1995), especially 198 *passim*; and on the work of Mary Poovey, *A History of the Modern Fact, Problems of Knowledge in the Sciences of Wealth and Society* (Chicago: University of Chicago Press, 1998). See also Alain Desrosières, "How to Make Things Which Hold Together: Social Science, Statistics and the State," in *Discourses on Society: The Shaping of the Social Science Disciplines*, eds. Peter Wagner, Brian Wittrock, and Richard Whitley (Dordrecht: Kluwer, 1991).

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As industrial productivity increased in the decades around the turn of the century, the struggle over the distribution of rising profits and surplus goods intensified. Changes in the industrial order advantaged some groups and threatened the dominance of others. Shifts in the economy benefited financiers, manufacturers, farmers and unionized labour. Modest gains in hourly earnings, more regular employment, and the introduction of social programs — however limited — meant that skilled wage labourers were gradually able to increase their purchasing power. These groups, Queen's University economist O.D. Skelton observed, had flourished, giving "the tone and colour of prosperity to the period."<sup>3</sup> Other Canadians, particularly the very poor, the unskilled, those on fixed incomes, and salaried middle-class professionals were less fortunate. After a prolonged cycle of global deflation in the late nineteenth century, rising prices were an unpleasant novelty. A regular income had once been a source of security, now it meant a struggle to keep up with inflationary increases. After the turn of the twentieth century, shifts in the economy drew Canadians increasingly into waged work, particularly in the service sector and in burgeoning corporate and government bureaucracies. As they migrated from farms, villages, and small towns to larger urban centres, Canadians were less able to rely on what they personally grew or produced to offset rising prices. Because families spent substantial portions of their total income on food (customarily 47 percent) and rent (approximately 20.9 percent in 1900, rising to 24.7 percent by 1913), even small price increases strained budgets.<sup>4</sup> Overall, between 1896 and 1915, inflation in store-bought goods averaged six per cent annually. Between 1900 and 1910, the Department of Labour estimated that the cost of food had risen by one-third. Rents had increased even more dramatically. In this context, prices became the dominant index of living standards.<sup>5</sup>

American historians have suggested that public outrage directed at escalating living costs marked a turning point in that nation's social and political history, adding to the strength of movements of political reform by acting as a focus of common concern among various interest groups "who had little else to unite them."<sup>6</sup> Once mobilized, consumer consciousness "cut across occupational and class lines, and did a great deal to dissolve the old nineteenth-century American habit of viewing political issues solely from the standpoint of the producer." In the discussion of contemporary issues, Richard Hofstadter observes, one began to read considerably less about the "effects on the work-

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3 O.D. Skelton, *General Economic History of the Dominion, 1867-1912* (Toronto: The Publishers' Association of Canada Limited, 1913), 272.

4 *Report of the Board of Inquiry into the Cost of Living, Vol. II*, (Ottawa: King's Printer, 1915), 1016.

5 Meg Jacobs, *Pocketbook Politics: Economic Citizenship in Twentieth-Century America* (Princeton, NJ: Princeton University Press, 2005), 2-5.

6 Richard Hofstadter, *The Age of Reform* (New York: Vintage Books, 1955), 172-3.

ing class, the middle class, and the farmer, and a great deal more about 'the plain people,' 'the common man,' 'the taxpayer,' 'the ultimate consumer,' and 'the man on the street'.<sup>7</sup>

By comparison, in Canada the controversy over rising prices and the search for an explanation or, failing that, a suitable scapegoat, served less to unify public opinion than to highlight the way in which the new industrial order advantaged or disadvantaged different groups. Industrialists blamed rising prices on unions



This was the first in a series of articles that ran in the *Toronto Star* in April and May of 1911. This 3 cent cheque was the sole return received by an Ontario farmer for two baskets of tomatoes. Each basket had cost 10 cents to grow and send to market, not including the farmer's own labour. They were sold to Torontonians at 50 cents a basket. The *Star* subsequently offered to pay readers one dollar for the best practical suggestion to reduce the cost of marketing fruit and vegetables.

7 Ibid. Most recently, Meg Jacobs asserts that "pocketbook politics" should be recognized as central to the history of twentieth century America, used by politicians to mobilize voters and playing a key role in the expansion and retraction of the state. The confluence of industrialization, urbanization, and the commercialization of daily life made inflation the subject of political debate. Controversies over consumer purchasing power provided a medium through which competing factions battled for support. Jacobs, 3-5. Also see Meg Jacobs, "Pocketbook Politics: Democracy and the Market in Twentieth-Century America" in *The Democratic Experiment: New Directions in American Political History*, eds. Meg Jacobs, William Novak, and Julian Zelizer (Princeton: Princeton University Press, 2003). In Britain, Matthew Hilton argues that a consumer consciousness emerged around the turn of the century, when people formulated a sense of what they earned in terms of what they could buy. The ability to purchase, rather than simply the wage, became the focus of labour negotiations. Matthew Hilton, *Consumerism in Twentieth-Century Britain, The Search for a Historical Movement* (Cambridge: Cambridge University Press, 2003), 1, 51-2.

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and increasing wages. Workers blamed the rise of monopolies. Economists suggested that increases in the world's supply of gold accounted for most of the change. Middle-class moralists pointed to the extravagant expenditures of the wealthy and rising standards of expectation in the working classes. Everyone blamed the proliferation of middlemen involved in expanded networks of distribution and retail sales that characterized modern commerce. The *Canadian Annual Review* devoted six pages of its 1910 edition to a survey of the increasingly intense and wide ranging discussion, citing numerous experts and opinion leaders, as well as the results of inquiries conducted by the press and various levels of government across the nation.<sup>8</sup> Newly elected Minister of Labour Mackenzie King noted six possible factors, including increases in the population through immigration, increase in the supply of gold, large expenditures in public works, and rising wages.<sup>9</sup>

The vehemence of the debate suggests that price changes provided focus for a range of social anxieties related to larger changes in Canadian life, including growing extremes in standards and styles of living, rapid urbanization occurring in tandem with rural depopulation, the commodification of goods and services, and the impact of modernization on social relations.<sup>10</sup> Rising costs were also fundamentally disorienting, calling into question the value of goods and the meaning of money.<sup>11</sup> Responses to rising prices provide a useful prism through which to view ideological differences among reactionary, populist, and progressive constituencies as they debated the morality of material progress in the emerging political economy of industrial Canada.<sup>12</sup>

For many social critics, particularly the most conservative, concerns about social change began to coalesce around the problem of rising costs and the figure of the Canadian consumer. Insofar as these thinkers regarded inflation as a

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8 See J. Castell Hopkins, "The Increased Cost of Living in Canada," *The Canadian Annual Review of Public Affairs* (1910): 298–304. These included the *News of Toronto*, the *Winnipeg Telegram*, the *Montréal Star and Herald*, the *Ottawa Citizen*, the *St. John Standard*, and the daily paper in Halifax. Investigations were discussed or carried out by provincial governments in Ontario and Manitoba and municipal authorities in Regina and Toronto. See also M.A. MacKenzie, "The High Cost of Living," *Canadian Magazine* XL, no. 4 (February 1913). Stephen Leacock considers the merits of different arguments in "The High Cost of Living," *Addresses delivered before the Canadian Club, Season 1913–1914*, 3 November 1913. For contrasting discussions of the middleman, see *Saturday Night* (11 July 1914) and "Address to Consumers," *Toronto Star* (19 September 1917).

9 *Canadian Annual Review*, 299.

10 For a discussion of the responses of American conservative intellectuals to inflation in this period, see Daniel Horowitz, *The Morality of Spending, Attitudes toward the Consumer Society in America, 1875–1940* (Baltimore, MD: Johns Hopkins University Press, 1985), xxix, 70–3.

11 *Ibid.*, 68 *passim* for a review of cost of living debates among America's middle class professionals.

12 On this theme, see also Carolyn Strange, *Toronto's Girl Problem: The Perils and Pleasures of the City, 1880–1930* (Toronto: University of Toronto Press, 1995).

problem driven by unrestricted desire, the solution would be found in the realm of morality rather than economics. If people regulated their personal desires, there would be enough for all; if they failed to regulate desire there would never be enough. In any case, more did not bring greater happiness.

Andrew Macphail, a physician, author, and one of the nation's pre-eminent champions of conservative values, prepared a passionate response to the problem of rising costs for *University Magazine*, examining issues in the context of epochal struggle for survival.<sup>13</sup> The cost of living, he argued, was "a reflex, or reflection, of civilization." It invariably rose with the rise of luxury and "rises fastest where luxury is most widespread." For Macphail, luxury was not solely a question of material comfort, but rather was closely tied with the non-productive use of time and resources. "[I]t does not matter whether that waste is perpetrated by the housemaid in the pantry, by her mistress at the milliner's, or by her employer at the club," he wrote. "The farmer who indulges himself with an unnecessary 'buggy' pays for his indulgence with his hard won labour. The rich man who amuses himself with a motor car distributes the cost of his amusement over the whole country." Macphail set out an apocalyptic vision of a society divided into producers and consumers. "There is, in reality, only one serious question which confronts all created beings," he insisted: "What shall we eat, What shall we drink, Where withal shall we be clothed? .... To-day the war is between those, on the one hand, who consume more than they produce, and those who produce more than they consume. Rising prices are a sign of the rising conflict."

Like many social conservatives, Macphail associated rising prices with the disappearance of family-centred, self-sufficient agrarian households headed by property-owning, independent men. Modern women, by comparison, performed no useful function, and were, as a result, "restless," "uncontrolled," "imitative," and driven by a love for the trivial accessories of life. Children, he objected, had been withdrawn from production and immured within the walls of school rooms. Misguided but well-meaning enthusiasts maintained and propagated the incurably feeble. Production and consumption were mutually exclusive forms of being. In the end, Macphail predicted, society would recognize the futility of machines and factories. Wage-earners would return to the pleasant hillsides and fertile valleys "where their fathers led the lives of free men and not the mere existence of slaves."

At the opposite end of the political spectrum, the potential tensions between high wages and low prices were largely overlooked by associations of housewives, farmers, and workers organizing to increase their purchasing power. In Calgary, a Consumers' League was formed and a public market established offering goods and produce at lower than existing retail costs. On the prairies, a

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13 Andrew Macphail, "The Cost of Living," *University Magazine* XI, no. 4 (December 1912).

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wave of consumer cooperatives sprang up to fight high prices.<sup>14</sup> In Toronto, the Railway Brotherhood opened a butcher shop and a small grocery store.<sup>15</sup> While working conditions remained a significant concern, unions, particularly those representing skilled labour in Canada's largest cities, began to emphasize wage demands rather than working conditions.<sup>16</sup> Attention to purchasing power did not produce united political action; however, the incorporation of everyday experiences into economic behaviour did begin to align the interests of a number of diverse groups.

Seeking a position between the critics and the activists, the Liberal government turned to the civil service and called for studies and statistics, linking rising cost consciousness to state-building efforts. Attention to purchasing power and the ability of working class Canadians to acquire food, clothing, housing, as well as an enthusiasm for impartial inquiry and statistical gathering, were also aspects of Canadian progressivism.

Although Canadian reform efforts did not coalesce into a single movement, each of the diverse social projects of progressivism can be seen as responding simultaneously to the challenges and opportunities of industrialism. Moral outrage over poverty and perceived threats to social purity was tempered by the conviction that a time of relative abundance was at hand. Organizers emerged to tackle a wide range of problems, including municipal corruption, prostitution, rural depopulation, city planning, the provision of milk, the creation of playgrounds, the need for affordable housing, improvements in public health administration, civil service reform, the need for temperance, and the enforcement of Sunday closing laws. Religious leaders inspired by the social gospel acknowledged the importance of basic necessities (including a home, a garden, and time for self improvement) as the foundation of a moral life. Although excessive materialism was condemned, material relations were imbued with moral significance. Because standards of

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14 However, the emphasis on price alone was insufficient to sustain the movement. Committed to quick returns in the form of low prices rather than the principles of cooperation, most failed in a few short years. See Brett Fairbairn, *Building a Dream: the co-operative retailing system in Western Canada, 1928–1988* (Saskatoon, Sask.: Western Prairie Producer Books, 1989), 15–9.

15 The origins of the Calgary Consumers' League were linked directly to rising prices. See *Grain Growers Guide* (3 December 1913), 10; David Bright, "Bonds of Brotherhood" (M.A. thesis, University of Calgary, 1990), 122; "Employees of Railways Go Into Sale of Provisions," *Toronto Star* (11 May 1912). Street railway workers prepared detailed family budgets to successfully support demands for wage increases. *Toronto Star* (2 July 1912).

16 For example, for a comparison of labour action by waiters, carpenters, and pressmen, see "Sparks from Labour's Anvil," *Toronto Star* (8 July 1912). Farm and labour leaders noted that both constituencies were affected by rising living costs, while simultaneously observing that combines mergers and trusts fixed prices to disadvantage of both producers and consumers. Even though they recognized common interests and a common enemy, farm and labour leaders were unwilling to relinquish their distinctive identities. For example, see *Toronto Star* (25 January 1912), 24.



living were an important theme in these discussions, the call for a living wage was part of most progressive reform movements.

At the same time, the conviction that behaviour could be predicted encouraged the collection of social statistics.<sup>17</sup> Although the specific goals of reformers varied, different strands of progressivism were united in the quest for social information and the desire for objective fact collecting and quantification. Areas of life once regarded as a matter of private responsibility, became subjects of investigation and, potentially, of regulation.<sup>18</sup> The desire to transcend partisan loyalties to class, ethnicity, or region fuelled these efforts, reinforcing the search for disinterested expertise. Rising living costs were seen as one of the many social problems that could be solved through rational means. Living in a period of social and economic upheaval, reformers hoped that the use of statistics might help to define a national interest rooted in common economic goals.<sup>19</sup>

### The Managerial State

Studies of consumption practices were only one of many new areas of government intervention in a period characterized by the significant expansion of the state.<sup>20</sup> The expansion of government services since the turn of the century had been rapid but uncoordinated. Evidence of waste and poor planning had been the subject of various probes by the press, the opposition, and the government itself in 1906, 1908, and 1912.<sup>21</sup> The example, and even more importantly, the

17 Although the specific goals of reform movements varied, different strands of progressivism were united by their quest for social information and their embrace of scientific techniques of objective observation, fact collecting and quantification. Sarah Igo, *The Averaged American: Surveys, Citizens, and the Making of a Mass Public* (Cambridge: Harvard University Press, 2007), 25–28. Alan Hunt, “Measuring Morals: the Beginnings of the Social Survey Movement in Canada, 1913–1917,” *Social History / Histoire sociale* XXXV (May 2002).

18 Mariana Valverde, *The Age of Light, Soap and Water: Moral Reform in English Canada, 1885–1925* (Toronto: McClelland & Stewart, 1991).

19 Eric Rauchway, “The High Cost of Living in the Progressive’s Economy,” *Journal of American History* (December 2001), 900.

20 Academics provided the theoretical supports for activist government, calling for the regulation of capitalism’s excess and the mediation of relations between capital and labour to quell social unrest. The expert advisor replaced the man of character guided by the wisdom of personal experience as the ideal public servant. As Adam Shortt explained, it was “an age of experts” and expertise was the key to efficiency. Both expertise and efficiency were business values, and the prominence of these terms in the discussion of civil service reform gives an indication of the penetration of business values into all areas of public life during this period. D. Owrham, *The Government Generation: Canadian Intellectuals and the State 1900–1945* (Toronto: University of Toronto Press, 1986), 41–5, 73, 84–6. On the parallels between the expansion of government during the American Progressive era and in early twentieth century Canada, see V. Seymour Wilson, “The Influence of Organizational Theory in Canadian Public Administration,” in *Canadian Public Administration: Discipline and Profession*, ed. Kenneth Kernaghan (Toronto: Butterworths, 1983), 106–8.

21 R.C. Brown and R. Cook, *Canada 1896–1921, A Nation Transformed* (Toronto: McClelland and Stewart, 1974), 193–4.

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ideals, of industrial management fuelled demands for civil service reform.<sup>22</sup> Bureaucratic values, including economy, efficiency, organization and effectiveness, were promptly imported from business directly into government.<sup>23</sup>

In both the industrial and the civic realms, acts of administration had the effect of opening a middle ground which, like consumerism, shifted attention and power away from conflicts between labour and capital.<sup>24</sup> In the realm of capital, the emergence of the corporate form and the expansion of management were fundamentally linked with increases in productivity and expanded possibilities of consumption. In the realm of public administration, the measurement and analysis of consumer spending became integrated into the working of the managerial state, opening the way to the exploitation of consumer identities for political purposes.<sup>25</sup>

The development of statistics and the appointment of boards of inquiry should also be understood as responses to demands for politically neutral information that would transcend class and ethnic divisions by providing objective answers to divisive questions. Inquiries into the cost of living were carried out alongside efforts to create a centralized and enlarged national bureau of statistics.

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- 22 The scientific management and the classification movements were decisive influences on the development of government administration in Canada. The British tradition of administrative generalists was replaced by a hierarchical structure, with an emphasis on technical specialization and an ideology of business efficiency. Tasks of government were examined as mechanistic processes, civil service positions were classified by function, and examinations devised to determine which candidates were best qualified to fulfil specific positions. Work was separated from worker. See J.E. Hodgetts, et al., *The Biography of an Institution, the Civil Service Commission of Canada, 1908–1967* (Montréal and Kingston: McGill-Queen's University Press, 1972), 65–6, 71; J.E. Hodgetts, "Implicit values in the administration of public affairs," in Kernaghan, 30; and "A Farwell Contribution from Griffenhage and Associates Limited," *The Civilian, Canadian Civil Service Staff Publication* (February 1921), 69, cited by Wilson in Kernaghan, 106–7.
- 23 The values of the bureaucracy, it should be noted, were different than the political values of representation, responsibility, and responsiveness. These terms had been prominent in the eighteenth century fight for responsible government and were associated with the building up of the nation during a period that also saw the build-up of private enterprise. The authority of management, however, was rooted neither in politics, property, nor labour, but in more diffuse forms of power exercised without ownership. On the novelty of this position, see Warren Susman, *Culture as History: The Transformation of American Society in the Twentieth Century* (New York: Pantheon Books, 1984), xxi–xxii.
- 24 James Livingston discusses the corporate form as the enabling condition of consumer society. Dispersing power broadened the terrain of political struggle, opening a middle ground that would become the terrain of cultural politics. James Livingston, *Pragmatism, Feminism and Democracy: Rethinking the Politics of American History* (London: Routledge, 2001), 54–5. Mathew Hilton argues that the politics of consumption has persistently offered itself as a middle way or "third" solution in the struggle between capital and labour, 1, 12–14, 296–7.
- 25 On civil service reform as a tactic of bureaucratic expansion, see Ken Rasmussen, "Administrative Reform and the Quest for Bureaucratic Autonomy, 1867–1919," *Journal of Canadian Studies* (Fall 1994).

Such an institution, it was asserted, would constitute a “central thinking office” with the necessary “inquisitorial powers,” machinery, and expertise to act as a “national laboratory” for the observation and interpretation of economic trends.<sup>26</sup> Calling for the centralization and enlargement of statistical gathering, Canada’s chief statistician explained, “The Government is more than a congeries of departments: it is a single agency having as a paramount duty the guiding of economic policy .... The economic body is one, not several; and its observations must be on that basis.”<sup>27</sup> The high cost of living was fundamentally a political issue involving the relative rates of change in prices and wages.<sup>28</sup> Statistics would provide a sound basis for public discussion and an alternative to the opinions and inquiries so frequently undertaken by the daily press, private societies, and numerous concerned individuals. Both the tools to be used to measure the cost of living and the category of consumer being constructed through the process of statistical inquiry contained the possibility of transcending social divisions.

### Calculating the Cost of Living

When Canada’s Department of Labour was established in 1900, its mandate was to “collect, digest, and publish” information that would be useful in the negotiation and settlement of trade disputes.<sup>29</sup> A monthly journal named the *Labour Gazette* was created for this purpose, as a “medium for ... the registration of facts.”<sup>30</sup> Initially, articles in the *Labour Gazette* focused on general industrial conditions, including employment opportunities, wage rates, union activities, the outcome of strikes, and the passage of labour legislation. A young social reformer with an interest in politics, W.L. Mackenzie King was hired to edit the new journal. When King’s interests turned to conciliation and special investigations, the day-to-day work involved in the preparation of the *Gazette* fell to his close friend Henry (“Bert”) Harper and, after Harper’s untimely death in 1902, to Robert Hamilton Coats, a young journalist.<sup>31</sup>

26 R.H. Coats, *A National System of Statistics for Canada* (Ottawa: Census and Statistics Office, 1916), 4–7.

27 Ibid., 7.

28 Rauchway, 899.

29 David A. Worton and Institute of Public Administration of Canada, *The Dominion Bureau of Statistics: A History of Canada’s Central Statistics Office and Its Antecedents, 1841–1972*, Canadian Public Administration Series, No. 22 (Montréal and Kingston: McGill-Queen’s University Press, 1998), 47.

30 Ibid., 48.

31 Both King and Coats were innovators in their respective fields. Coats made himself Canada’s foremost expert in the coordination of financial and economic data as head of the Dominion Bureau of Statistics, a department he organized and subsequently led for 40 years. He turned down offers from industry, as well as an opportunity to become the chief statistician of the League of Nations, although he later became a statistical advisor to the United Nations. International honours included

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In these early years, work in the Department of Labour began to unfold along two distinct, but parallel paths. Both King and Coats were interested in the sciences of management and the possibilities of consumption. King's interest in labour relations led him to develop new practices of arbitration that directly involved the state in labour disputes. Coats began to campaign for new statistical efforts to measure purchasing power, as well as wages and working conditions. Both the system of industrial relations devised by King and the statistical work handled by Coats were part of the same effort to manage escalating conflicts between labour and capital. Committed to the management ideal, both men advocated processes of neutral investigation as strategy to depoliticize inequality.<sup>32</sup> The vision of Canada as a nation of consumers, whether conceived of collectively as the beneficiaries of industrial production (as King did) or statistically as the aggregate of individual acts of buying (as Coats did), emerged in conjunction with initiatives that aimed to reduce social unrest to manageable problems in human relations and technical measurement. Conflicts in the realm of production would be de-emphasized by focusing on the common interests Canadians shared as consumers.

### The Special Report on Wholesale Prices

Coats began to campaign for the production and presentation of statistics related to wages and the cost of living shortly after his appointment. Although wage data had been tracked by the department and made available in the pages of the *Labour Gazette* since 1900, Coats argued that more effort was needed to produce statistics directly related to the cost of living and to record the variations that existed from region to region.<sup>33</sup> Coats insisted that labour unrest, wages, and the cost of living were interconnected issues. While industry considered wages in relation to profits, workers were interested in what wages would buy. "To a labouring man," Coats wrote, "the first question is the obtain-

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a term as President of the American Statistical Association. King began this period in the civil service, before winning election to parliament in 1908 and becoming Canada's first Minister of Labour. Upon losing his seat in 1911, he was invited to head the Rockefeller Foundation's new Department of Industrial Research. He was elected to parliament again in 1919 and became prime minister in 1921. He held that office off and on for 21 years, making him the longest serving prime minister in the British Empire. American historian James Livingston describes King as the man who "invented the 'human relations' brand of industrial psychology," and regards this tactic of separating private property and labour from the management of the industrial process, as a key step in the managerial revolution that accompanied the emergence of both large-scale industry and consumer culture. Livingston, 94, 100, 328 n18. For a useful discussion of King as a professional intellectual, see Irving Bernstein, *The Lean Years: A History of the American Worker, 1920-1933* (Cambridge, MA: Riverside Press, 1960), 159-69.

32 On statistics and governmentality, see Bruce Curtis, "Surveying the Social: Techniques, Practices, Power," *Social History / Histoire sociale* XXV (May 2002), especially 90-1.

33 For a detailed account of Coats' persistence and King's lack of response, see Worton, 49-50.

ing of employment, the second is the amount of remuneration he is to receive, and its relation to what he has to spend for subsistence.”<sup>34</sup> Attention to purchasing power was the key to minimizing social and political instability. However, due to a lack of resources (and possibly insufficient interest from King at this time<sup>35</sup>), little action was taken until 1909.

The government responded to public outcry over rising prices with two initiatives. Acknowledging that “no public question at the present moment equals in general interest the abnormal cost of living,” the *Labour Gazette* announced that a “more comprehensive and systematic” method of analysis would be introduced to determine the degree of change Canadians were actually experiencing. Henceforth, the monthly review of wholesale prices already published in the *Labour Gazette* as a general indicator of economic strength would be supplemented with price summaries of 230 wholesale and 34 retail commodities selected to reveal trends in living costs.<sup>36</sup> The second decision was to prepare a special report to measure “as accurately as possible” changes in prices over the past two decades.<sup>37</sup> The purpose of this special inquiry was to carry the investigation backwards in time to create a benchmark for future comparisons. In spite of the desire for a precise measure of changes in the cost of living, it was necessary for Coats to rely on wholesale prices “to construct a sample of adequate breadth and depth.”<sup>38</sup> Data on retail prices was not readily, if at all, available. While the inquiry was confined to fluctuations in wholesale prices for practical reasons, it would, Coats promised readers, still serve to “indicate general tendencies” in the cost of living in Canada.

When the *Report on Wholesale Prices* was released in 1910, it established a point of reference for measuring changes in the cost of daily life that would be representative “of the community as a whole.”<sup>39</sup> Although consumption choices were the outcome of personal decision-making, the need for data on living costs was the consequence of awareness of changes in the daily provisioning practices of families throughout Canada. The methods used in constructing the index, the selection of goods, and the merits of weighted versus unweighted indices, were discussed in detail in both the report and the press.<sup>40</sup> Consumer protests used the moral weight of food such as milk, eggs,

34 Ibid, 49.

35 Paul Craven, ‘An Impartial Umpire,’ *Industrial Relations and the Canadian State, 1900–1901* (Toronto: University of Toronto Press, 1980), 220; Worton, 51.

36 Robert Hamilton Coats and the Canadian Department of Labour, *Wholesale Prices in Canada, 1890–1909, Special Report* (Ottawa: Government Print Bureau, 1910), 8.

37 *Labour Gazette* (February 1910), 894.

38 Coats, *Wholesale Prices in Canada*, 2.

39 Ibid., 3.

40 Ibid., “Experimenting with Weighted Averages,” 12–15, and Appendix I, 433–89. Stephen Leacock, “The Movement of Prices and the Rise in the Cost of Living. Practical Political Economy VII,” *Saturday Night* (24 December 1910).

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and meat to make living costs a political issue; the government sought to diffuse the moral weight of consumption by the application of statistical techniques. While inflation affected some groups of Canadians more than others, the index number emphasized the common experience of rising prices. The individual, Coats observed, was a "law unto himself and ... no pronouncement based on averages can apply individually except by accident."<sup>41</sup> However, the process of representing the purchasing choices of individual Canadians statistically began to normalize new patterns of expenditure, transmuting spending decisions that were unpredictable when considered on an individual basis into a coherent picture of collective practice.<sup>42</sup> By integrating consumption into the workings of the state, the inquiry began to forge a link between citizenship and new consumer practices.

The construction of a general index number revealed that wholesale prices had risen 35 percent from the baseline decade of 1890–1899. This number was widely cited as a benchmark and effectively positioned the Department as an authority on the cost of living and introduced the issue of the cost of living into formal government reports.<sup>43</sup> The government had hoped the study would calm discussion; however, by confirming what was widely suspected, the publication of *Wholesale Prices in Canada* had the effect of fuelling debate. Over the next two years the issue simmered in the press.<sup>44</sup> While some commentators emphasized reduction in supply (including the closing of the open range, the increased production of extravagances at the expense of necessities, the shift in population from rural to urban settings and, therefore, from production to new service industries), others emphasized increases in demand (immigration, wage gains,

41 Coats, *Wholesale Prices in Canada*, 489.

42 Mary Poovey describes organizing and interpreting data as a process of "making sense" that makes certain aspects of the world available for discussion. Poovey, xi–xv, 1–5. "The social category that is being described and measured is also being constructed and made visible." Desrosieres, 203.

43 Government effort on behalf of the Canadian consumer was not new, but had generally been limited to the regulation of individual products and linked to the protection of public health and the control of fraud. With the move away from face-to-face transactions and the introduction of packaged and manufactured goods, in which the nature and quality of products could potentially be disguised, it was regarded as necessary to devise substitutes for the informal controls of the neighbourhood market. Government controls provided a sort of "guarantee" that would improve trade by reassuring Canadians that it was fundamentally safe to participate in extended commercial networks. Investigation into the cost of living signaled an expansion of the state's interest in the private purchasing decisions of its citizens and a new understanding of the relationship between private consumption and the larger economy. For a summary of early federal consumer legislation, see J.A. Corry, *The Growth of Government Activities Since Confederation* (Ottawa: Royal Commission on Dominion-Provincial Relations, 1939), 20–8, 40.

44 The *Toronto Star*, for example, ran a series "Why is Toronto Housekeeping So Dear?" from 20 April to 12 May 1911, culminating with an appeal to readers for practical suggestions to reduce the cost of living.

**Cost of Living  
a Problem**

With warring Europe facing famine, and already calling for food supplies, this means sky-high prices here.

**But there is one food that has not  
advanced in price---that food is**

**Grape-Nuts**

Made from choicest wheat and barley, Grape-Nuts supplies great food-strength in concentrated, delicious form.

Grape-Nuts comes in wax-sealed packages, protected from moisture, dust, and germs. Always fresh, crisp, and appetizing.

**Economical in ordinary times---  
No advance in price now!**

**"There's a Reason" for Grape-Nuts**

—sold by Grocers everywhere.

CHESTERBURY TORONTO CEREAL CO., Ltd., WILLOWDALE, ONT.

**HIGH COST of LIVING**

**We Will Help Lift the Burden**

Suit or O'coat **\$15** Suit or O'coat  
FREE NO MORE NO LESS PANTS

**Biggest Tailoring Event of Season**

All previous records surpassed in this splendid offering for SATURDAY ONLY. At the insistent call of hundreds of our regular customers we are putting on this great sale. Our outlet for merchandise through our established chain of stores, and our enormous purchasing power that brings our fabrics direct from the mills, enable us to offer values which we say without fear of contradiction cannot be duplicated by any reliable tailoring concern in Canada. Made to your own measure.

**\$15—Choice of Entire House—\$15**

**FREE**

**Remember You Get "FREE PANTS" With Suit or O'Coat  
The Sale Is For One Day Only—To-Morrow**

**Scotland Woollen Mills Co.**

**Yonge St. Arcade Building—Opposite Temperance St.**

*Consumers complained, but advertisers saw opportunity in rising prices. In 1912 the Toronto Star suggested that a close and careful reading of advertisements would keep readers in touch with buying opportunities and "secure in the feeling that you are increasing your income by reducing your costs." November 14, 1912, front page. These advertisements appeared in the Toronto Star in 1914.*

and rising standards of living). There was no consensus. The return of strong economic growth diffused the issue, although the high cost of manufactured goods, particularly when compared with the wholesale prices obtained by farmers for agricultural products, was a significant factor in the 1911 federal election. In 1913, an economic recession caused a sharp decrease in employment which, in conjunction with continuing high prices, brought the cost of living to the forefront of public discussion once again.<sup>45</sup> The number of these explanations inflated along with the cost of living. Coats drily noted that one writer had recently enumerated over 80 possible causes.<sup>46</sup>

### The Report of the Board of Inquiry into the Cost of Living

In 1913, protests in Canada as well as large and well publicized food riots outside of Canada, led to the appointment of a federal Board of Inquiry mandated to investigate increases in the cost of living and "the causes which have occasioned or contributed to" rising prices.<sup>47</sup> This board, composed of four permanent offi-

45 *Canadian Annual Review*, 1913, 313–21.

46 *Report of the Board of Inquiry into the Cost of Living*, vol. II (Ottawa: King's Printer, 1915), 1068.

47 *Ibid.*, vol. I, 5.

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cials of the government, including John McDougald, Commissioner of Customs; C.C. James, Agricultural Commissioner; J.U. Vincent, Deputy Minister of Inland Revenue; and R.H. Coats, Chief Statistician of the Department of Labour, collected evidence throughout 1914.

When the board finished hearing evidence in June of 1914, Coats suggested that a memorandum be prepared by the Department of Labour outlining the general economic tendencies behind the rise in prices. With the declaration of war in August 1914, board members believed that the need for a final report had been indefinitely postponed. When Prime Minister Borden requested a submission in late December, the committee was caught by surprise. McDougald prepared a summary of the findings and requested that Coats submit his material for inclusion. Coats, objecting to the narrative style of McDougald's draft, as well as the haste with which McDougald sought to push the final report through, sought to include a lengthy exhibit of facts and analysis. McDougald added some of this data, but not the analysis, to his summary. Dissatisfied with the absence of analysis, Coats refused to sign. After a protracted period of discussion, a compromise was reached and two volumes published.<sup>48</sup>

When tabled on 16 February 1916, the final publication was over 2,000 pages long with considerable duplication, and reflected the tension between McDougald, Chair of the inquiry, and Coats. The divide between the two was marked, not by political affiliation but, rather, by methodology, age, and orientation. McDougald, in his late sixties represented the moral framework of late Victorian Canada. He was a merchant, the Liberal-Conservative Member of Parliament for Pictou County, N.S. (a stronghold of Scotch Presbyterianism dedicated to higher education and national service), and a Commissioner of Customs since 1896. As the voice of tradition and experience, he emphasized the costs associated with every forward step.<sup>49</sup> Coats, upholding the principles of scientific management and the professionalized civil service, expressed concern about the ad hoc nature of the board's approach and the absence of "any framework" within which to access the evidence that was gathered.<sup>50</sup>

Each volume of the final report represented a different response to changing patterns of consumption. McDougald focused on the rising cost of foodstuffs, changes in methods of distribution, and changes in the standard of living that affected demand. His tone was frequently disapproving, suggesting that if Canadians were in stringent circumstances, they had only themselves to blame. Prosperity, he complained, had been accompanied by increasing waste and excessive advertising.<sup>51</sup> Buying foods out of season added to costs. Cold

48 For a detailed discussion of the negotiations involved in the production of the final report, see Worton, 54–6.

49 *Canadian Who's Who* (Ottawa, 1910), 155.

50 Worton, 54.

51 *Report of the Board of Inquiry into the Cost of Living*, vol. I, 79.



storage opened the way to possible hoarding and price manipulation. The shift from bulk purchasing to wrapped packages increased opportunities to mislead consumers. Such innovations added convenience and cleanliness (which were in themselves relatively recent values) but also raised prices.

Canada, he remarked, had become a country where people could afford to buy “for flavour or tenderness instead of nutrition.” “Thrift is no longer inculcated,” McDougald complained. “It is easier and quicker to buy a new article than to repair the old.”<sup>52</sup> At the dinner table, abundance was praised more than wholesomeness.<sup>53</sup> The “wants of the people,” he observed, “have been multiplied and diversified on every side. They demand more and better things. Their requirements are larger, more varied and more exacting.”<sup>54</sup>

The changes McDougald objected to were not solely in the realm of consumption. Canadians, he observed, were working fewer hours. Children rejected manual labour, seemingly ashamed of the honest occupations of their fathers.<sup>55</sup> New services, including ready-made foods, laundry services, and the use of the telephone “to demand frequent deliveries of parcels of small value at irregular times,” transformed labour once provided free of charge by the housewife, into commodities to be purchased. Both producers and consumers were exploited by middle-men. New technologies, such as the combustion engine, which should have been dedicated to commercial purposes, were used instead in the production of luxuries and for recreation.<sup>56</sup> Inflation provided traditionalists like McDougald an opportunity to reassert the value of conservative principles, including the centrality of work, the dangers of desire, and the need for prudence, thrift, and self-restraint. McDougald did not ignore evidence that standards of living were rising and the country gaining in wealth. Rather he continued to insist, as he put it, that the “spirit that has won success is the spirit of duty and work. The lessons of history teach ... that a life of ease is not conducive to individual or national well-being.”<sup>57</sup> Moral regeneration and the education of consumers were offered as solutions to economic problems.

While McDougald emphasized the social and cultural causes of rising prices, Coats emphasized the larger economic transformations underway. Applying the systematic practices of modern government, Coats set out to measure and give form to new norms of consumption using the tools of statis-

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<sup>52</sup> Ibid., 16.

<sup>53</sup> Ibid., 15–7.

<sup>54</sup> Ibid., 12.

<sup>55</sup> Ibid., 13–4.

<sup>56</sup> Ibid. 15.

<sup>57</sup> Ibid. For a similar discussion of American attitudes, see Horowitz, 73–4.

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*John McDougald, 1848-1919. Merchant, Liberal-Conservative Member of Parliament for Pictou County Nova Scotia, Commissioner of Customs, Chairman of the Board of Inquiry into the Cost of Living. (Photograph from F.R.E. Campeau, The Illustrated Guide to the House of Commons and Senate of Canada. Ottawa. 1885.)*



*Robert Hamilton Coats, 1874-1960. Editor of the Labour Gazette and principal statistician of the Department of Labour, 1902-1915. Member of the Board of Inquiry into the Cost of Living. In 1915 Coats was appointed as Canada's first Dominion Statistician and controller of the Census. He subsequently drafted the legislation which established the Dominion Bureau of Statistics, an organization he headed until retirement in 1942. (Photograph courtesy of Statistics Canada.)*

tical analysis.<sup>58</sup> Rises in the cost of living were examined sector by sector. Numerous tables and charts were prepared showing that per capita consumption had increased in every category since 1900. The consumption of luxury goods, from liquor to ribbons to billiard tables, had risen. Literacy rates had improved. The value of imported books, magazines, and newspapers had increased by almost 300 percent in the past 15 years. Charitable contributions

58 Coats' work in preparing the report received favourable attention in the community of professional economists, including praise from British economist Alfred Marshall and American economist Wesley Clair Mitchell, who described the investigation as "a real contribution to economic science" and "precisely the kind of work which is most needed for bettering our understanding of current economic developments, and for guiding our economic policy wisely." Worton, 57.

had risen and the purchase of life insurance policies (regarded as a barometer of savings and thrift) was up by over 75 percent. Housing conditions had deteriorated for unskilled labourers and most immigrants, but improved for other classes.<sup>59</sup>

Because these increases in expenditure were not confined to luxuries and extravagances, Coats argued that shifts in the Canadian way of life were in “their origin ... not psychological alone, but economic ... rendered possible in the first instance by increased incomes.”<sup>60</sup> Social phenomena were “in the main incidental,” he insisted, “they are not the tide, they are rather waves upon the tide.”<sup>61</sup> Coats sought to remove morality from the discussion of the cost of living by employing statistical methods to document behaviours and measure trends. Because standards of consumption varied throughout the nation and indeed from family to family, the process of measuring change in the cost of living, he argued, required a standardized basket of goods and a baseline concept of “enough.” Coats goal, however, was not so much to defend as to normalize new consumption patterns. The process of collecting, tabulating, and charting spending practices, and the development of new abstractions, such as the standard basket of goods, helped to create the illusion of value free purchasing.

Coats resisted suggesting remedies for inflation. He agreed that efforts to encourage food production and reduce waste would mitigate the effects of high prices. However, he believed that they did not address the true causes of inflation which were not moral but technical in nature. Distribution problems had been created by the lessening of the local food supply during an era of heavy expenditure on the capital account. Rises in wages and prices in advance of profits had skewed the balance between supply and demand. A solution, Coats, proposed would be to shift the economy away from growth driven by capital investment towards a more balanced economy involved in the making and selling of things. Orienting the economy toward domestic consumption would help to reduce prices. An enlarged and reorganized national bureau of statistics would be instrumental in avoiding future problems of over-production. Without a system of comprehensive and up-to-date measurements, Coats insisted that it was “impossible to grasp the significance of current phenomenon” and to coordinate economic decision-making.

McDougald had situated the investigation in the context of a pre-existing moral standard. Coats, on the other hand, employed the rational methods and vocabulary of management and economics. His investigative techniques privileged systematic knowledge analyzed by professionals in marked contrast to the personal interviews, first hand observations, and anecdotal information that

59 “Consumption and the Standard of Living,” *Report of the Board of Inquiry into the Cost of Living*, vol. I, 46ff.

60 *Ibid.*, vol. II, 1017.

61 *Ibid.*, 1068.

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had been presented as evidence by McDougald. The overtly moral interpretation of events offered by McDougald was being displaced as bureaucratic modes of thinking “invaded the realm of ethics.”<sup>62</sup> Objectifying consumer behaviours as a series of spending practices rather than moral choices made new sorts of data available for management by government and, in time, for management by industry. These efforts supported both the professionalization of government and the normalization of consumer practices.<sup>63</sup>

### The Managerial State and the Community of Canadian Consumers

It is useful to return to Coats’ early associate at the Department of Labour, Mackenzie King. While McDougald and Coats were writing the conclusion to the *Report of the Board of Inquiry*, King began to prepare the draft of a book, *Industry and Humanity*, that offered an opportunity to consider the parallel development of the managerial state and consumer society. If Coats can be said to represent the practices of bureaucratic rationality, King can be seen as an advocate of the managerial function. King argued that the organization of industry on a large scale under scientific management had fundamentally altered relations of production, vastly increasing the material wealth of society with a gradual lessening of human effort.<sup>64</sup> Goods were cheaper and more plentiful than ever before. Standards of living were rising. For these reasons, King explained that industry was not merely a revenue producing process, but a social service.<sup>65</sup> In King’s view, it was the managers, both in business and government, who were most aligned with the social good. Order and stability benefited all classes of society: assuring jobs, increasing profits, and creating a steady and abundant supply of goods and services for the benefit of the community. Few Canadian intellectuals before World War I envisioned a consumer-driven economy with growth and high profits fuelled by abundant consumer purchasing and King was no different. Continually, increasing rates of consumption were not the basis of a strong economy, but the reward for cooperation and sound management. Increased productivity, falling costs, and

62 Livingston, 20–1.

63 Poovey argues that this emphasis on disinterested collection of data should be regarded as a fundamental marker of modernity. Indeed, she suggests that it was the tension between first hand observation and systemic knowledge that required a professional or disciplinary solution, that resulted in tasks of knowledge production being handed over to the experts. Poovey, xii–xiv, 3. Desrosieres similarly notes, “In each case it is necessary to transcend the contingency of particular cases and circumstances and to make things which hold together, which display the qualities of generality and permanence.” “The question is not: ‘Are these objects really equivalent?’ but: ‘Who decided to treat the as equivalent and to what end?’” Desrosieres, 200.

64 William Lyon Mackenzie King, *Industry and Humanity: a study in the principles underlying industrial reconstruction* [1918] (Toronto: University of Toronto Press, 1973), 32, 66, 78.

65 Ibid., “The Four Parties to Industry,” Address before The Empire Club of Canada, 13 March 1919, 31–2.

rising standards of living were the benefits of scientific management and industrial peace, made possible by techniques of impartial investigation.<sup>66</sup> The process of investigation, King explained, “is a letting in of light ... for it assumes that collective opinion will approve the right, and condemn the wrong. It does not attempt to award punishments or to affix blame; it aims simply at disclosing facts.”<sup>67</sup> Once the facts were revealed, the parties could negotiate their differences. Conciliation would address “the human element,” resolving personal antipathies that continued to keep disputants apart.<sup>68</sup>

King’s enthusiasm for impartial investigation bore a close affinity to Coats’ emphasis on the collection of statistics. Indeed, the process of investigation and the letting in of light was a favourite metaphor in the Canadian reform movement. Both men believed that facts, if objectively gathered and clearly presented, would reveal the common economic interests underlying the industrial order. King insisted that all the parties to industry were fundamentally aligned in their obligation to maintain production for the benefit of the whole of society. It was consumption, he wrote, that formed “the arena within which a people share a common interest.” The rights of “Capital” and “Labour” were secondary to the rights of the community, “which creates the demand for commodities and services, through which Labour is provided with remunerative employment, and Capital with a return on its investment.”<sup>69</sup> The consumer interest was being conceived of as a comprehensive social category that included all Canadians, and the legitimacy of government was linked to the provision of essential goods and services as a matter of social good.<sup>70</sup> Indeed, King asserted that it was the right of the community to consumption which served as the point of entry for expanded government responsibilities and the justification for government intervention in the economy.

66 For a useful discussion of King as a professional intellectual, employed by Rockefeller, and responsible for the development of new initiatives in labour relations, see Bernstein, 159–69.

67 F.A. McGregor, *The Fall & Rise of Mackenzie King: 1911–1919* (Toronto: Macmillan, 1962), 216–7. On the search light as metaphor of progressive reform with real and implicit organizing power, see Valverde, 35–36 *passim*.

68 In practice, the information available to the general public was often limited by arbitrators who used their personal skill to negotiate agreements that generally sought to balance labour’s needs for a living wage with the prerogatives of property. In disputes arbitrated by Adam Shortt, for example, the goal was negotiated agreement rather than conciliation. Shortt (the most frequently appointed arbitrator on boards convened under the Industrial Disputes Act) rejected the utility of publicity, fearing that it would force disputants to become entrenched in their positions. His object was not to make a report which public opinion would compel the disputants to accept, but to achieve an agreement and then to report it. Craven, 296, 299–301. Wallace, 124–5.

69 King, *Industry and Humanity*, 97.

70 Coal, King noted, was necessary not only in manufacturing and transportation, but was also something that “as the recent experience has shown, much of happiness and life itself depends.” *Labour Gazette*, December 1906, 662.

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In the concluding passages of *Industry and Humanity* King would develop these ideas further, explaining that the ultimate goal of industry was not profit but “the well-being of mankind.”<sup>71</sup> Industry did not affect wage earners “merely as persons possessing labour which they dispose of.” Instead it was “the conditions which surround Industry, and the output of Industry, [that] represent all that is possible for them in the way of health, happiness, and life itself.”<sup>72</sup> Management was the key; and it was the state, as the guardian and guarantor of social progress, which had the responsibility to manage the economy for the benefit of the community as a whole. Completing the manuscript of *Industry and Humanity* during the horrors of world war, King predicted that labour and capital, united by management and inspired by high purpose, would “bring to a disconsolate and broken hearted world the one hope that is theirs alone to bring ... the promise of ... resurrection to a more abundant life.”<sup>73</sup> Resolving conflicts between capital and labour would mark “the dawn of a new era in ... which material production would be vastly increased and life and happiness abound.”<sup>74</sup>

While McDougald emphasized the problems and negative consequences of modern consumption practices, King and Coats proposed that the consumer interest had the potential to align the interests of workers and capitalists with those of the rest of society. A national system of statistics, like the consumer interest, would transcend divisions of wealth and region. The rise of the managerial state was linked to the study of prices and the possibility that social harmony might be obtained through rising standards of living.

### Conclusions

“The fundamental tendency of all bureaucratic thought,” Karl Mannheim has observed, is “to turn all problems of politics into problems of administration.”<sup>75</sup> Reports prepared by the Department of Labour and the Board of Inquiry were part of an extended effort to identify and, in this way, to categorize and stabilize new patterns of living and to bring them under government control. As data was collected, tabulated, and charted, individual purchases were aggregated into collective practices. The statistical process itself offered a sense of stability, revealing order amidst the disorder of daily life and directing attention away from polarizing debates. The distinction between needs and wants, luxuries and necessities, extravagances and thrift were irrelevant to the statistician seeking to determine common practices. The use of normative terms, including abstrac-

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71 Ibid., 28–9.

72 Ibid., 32.

73 Ibid.

74 Ibid.

75 Karl Mannheim, *Ideology and Utopia* (New York: Harcourt, 1985), 118–9.

tions such as “the consumer,” “the cost of living,” and “a basket of goods,” began to free consumption of many of its pejorative connotations. The concept of a common or widely shared standard of living, with its emphasis on the consumption of bought goods, was incorporated into the workings of the state and publicized in the media. Before the right to a standard of living, came the calculation of living standards. Only after general tendencies were turned into objective realities could it become possible for government to manage them.

The state assumed an expanded role, but it was also true that the people called for government to become involved, effectively empowering the bureaucracy to investigate and regulate at least some aspects of these changes. While concerns about rising costs directed attention to changes in the social order, the manner in which government responded to the challenges of inflation, in spite of their aura of neutrality, served to reinforce the transition to a consumption-oriented society. McDougald, Coats, and King were among those who called for more government, whether in the form of an enlarged bureau of statistics, the systematic management of human relations, or the improved regulation of consumer goods, labelling, and packaging. They also called for government to become involved in the education of consumers, emphasizing the need for individuals to take on a measure of responsibility for their purchasing habits.

Political acknowledgement of the consumer was an important part of the process by which Canada evolved from a late-Victorian, producerist society emphasizing self-sufficiency to a consumer society anchored by the managerial state. The role of the consumer in the larger economy, however, remained in dispute. Access to bought goods was recognized as an interest that transcended social boundaries; at the same time, attention to a normalized standard of living rather than property ownership was compatible with persistent inequalities in power. Few were willing, as yet, to consider consumers as a significant force capable of driving economic growth, and fewer still considered increased consumption rather than increased production as the appropriate ends of industry. Democratic rights remained distinct from consumer rights, but the trajectory that would lead to the blurring of citizen and consumer had begun. Ultimately, these inquiries demonstrate the power of knowing as a form of intervention. Identifying the welfare of ordinary Canadians with their ability to consume goods and services opened the way to increased management of the economy, and laid the groundwork for modes of measurement that became integral to Canada’s political and economic system.

The role of the state in the management of inflation remained an unsettled issue. The *Report on the Cost of Living*, presented after the war began, was overtaken by events and therefore dated in some of its particulars. However, its significance lay not in the specifics of its analysis but in the new relationship established between the consumer and the state. States maintain their legitimacy, among other means, by establishing definitions of equity and community

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able to capture widespread allegiance.<sup>76</sup> During this period, when citizenship became linked with consumption and Canadians came increasingly to be seen as consumers of goods, the role of government expanded to include the measuring and monitoring of domestic spending. Its task was not yet to ensure consumption — that awaited the arrival of the welfare state after World War II — but clearly a new pattern of emphasis had emerged which had the potential to capture wider loyalties. The state had begun to identify its citizens as consumers.

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**BETTINA LIVERANT** recently completed her PhD at the University of Alberta. Her dissertation, entitled “Buying Happiness,” examines the participation of public intellectuals in the making of Canadian consumer society. Liverant is currently working on a study of corporate philanthropy in post-war Canada, exploring the tension between capitalism and altruism as opposing fields of social and economic practice.

**BETTINA LIVERANT** a récemment obtenu son doctorat de l’Université de l’Alberta. Sa thèse, intitulée « Buying Happiness », porte sur la participation des intellectuels publics dans la constitution de la société de consommation au Canada. Liverant se consacre actuellement à une étude sur le mécénat d’entreprise dans le Canada d’après-guerre, par laquelle elle explore les tensions entre le capitalisme et l’altruisme à titre de champs opposés de pratique sociale et économique.

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76 Craven, 353.