

Introduction

Canada, it is generally believed, ranks among the independent nations of the world. Before 1867 this country was a colony of France and then England, but Confederation is accepted and understood as marking its entry into nationhood. Since that time, Canada has seldom been described as a colony. Even today, as foreign control over the economy grows more quickly than the growth of industry itself, the belief in national sovereignty remains.

It is often assumed by those who see Canada as an independent capitalist nation that only relatively non-industrialized 'banana republics' qualify for the status of a colony. Canada by virtue of its industry is considered to be an autonomous and not a colonial nation. But when it is recognized that industry *per se* is no criterion of independence, this position is greatly weakened. Most industries in Canada are foreign-owned, and in terms of Canada's total exports, highly manufactured products form but a small part; raw and semi-processed materials and farm and fish produce, on the other hand, constitute the largest portion of export value.

Although little control of industry lies in the hands of Canadian capitalists, it is still held that Canada is a politically independent state. The appearance of autonomy, however, is illusory. The political system of a modern nation-state can scarcely operate independently of its economy. The role of a government in a capitalist country is to regulate social relations in the interests of capital accumulation. If a nation's own capitalists predominate in the ownership of the means of production, the government in pursuing its *raison d'être* will legislate policies to promote their interests – which, in effect, become the 'national' interest. But should capitalists from another country dominate the economy, political subservience shifts to favour the interests of the alien owners of capital. In this case, the nation whose economy is held in sway by foreign capital becomes, as well, a political satellite of the controlling state.

In the Canadian economy, American capital dominates the most important sectors. Without doubt, this is the reason the Canadian government has been so responsive to the political and economic needs of the United States here and abroad and so lax in challenging foreign control when the negative effects are so obvious. The American influence in the economy forces the policies of the Canadian government to fall into line more or less with those of Washington (or Wall Street). Thus, this nation has the political trappings of independence but not the reality because politics under capitalism are ultimately subordinate to the amassing of capital by individuals and corporations, the most powerful of which in this country are American.

This assumption about the political sovereignty of Canada is fed largely by the belief that there is a Canadian ruling class, distinct from American capital. Such enterprises as the CPR, Eaton's, and Weston's, certain names as E.P. Taylor and K.C. Irving, and, of course, the banks are offered as evidence support-

ing this view. While Canadian ownership of these and other businesses and conglomerates cannot be denied, their nature and position in the economy are often disregarded. In the economy as a whole, American capitalists, and not Canadian, dominate in the most important realm, that of production. American capital prevails in manufacturing, in mining and smelting, and in the 'research and development' of gas and oil. Only the railways, the banks, and certain utilities, such as the supply of power and water, can be considered sectors controlled by Canadian capital. Since these forms of business have as their main role the servicing of the American-controlled sectors, their interests are subordinate to American capital. (Even in its activities in the West Indies and Latin America, Canadian capital has always followed subserviently British and then American capital.) Most of the large concentrations of Canadian capital today perform complementary (or at least non-contradictory) roles in relation to US capital – the form of which is more powerful because it dominates the sphere of production, while Canadian capital prevails largely in circulation, that is, in transportation, communication, retailing, and finance.

This thesis is put forward by Tom Naylor who argues that historically the dominant form of Canadian wealth has been commercial capital which has characteristically expanded in the sphere of circulation. With this form prevailing in Canada until the 1930s when it succumbed to the dominance of American investment, there has been a concomitant restriction of domestic capital invested in the production of goods, that is, in industry. Instead, greater profits in the form of commercial wealth have been made by supplying production centres outside the country with raw materials extracted inside. The effect has been to place Canada in a position subservient to first one and then another industrial metropole.

This dependency on foreign industry prevented the dominant group of Canadian capitalists having a strong consciousness of themselves as the rulers of a nation-state. On the other hand, the ruling classes of industrial nations developed an awareness of themselves – a nationalist ideology – because they owned the means *to create* the wealth of their nations. On the basis of this power, they fashioned the state in their own image for their own ends and were able to maintain themselves at the centre of imperial systems in which other lands were controlled for markets and resource bases. In the face of an industrial power, a nation whose ruling class is founded in commercial wealth, such as Canada, is relegated to a subordinate role – financing extraction and transporting goods to and from the centre of production. These functions are but subsidiary aspects of production. Thus, the kind of consciousness the Canadian ruling class has had of itself developed from its dependent economic role in relations with industrial capitalism in Britain and now in the United States.

Always economically subordinate, the Canadian bourgeoisie could hardly move beyond a colonial mentality. Because the main ideas of a ruling class are those that prevail, the effects of this mentality are reflected in the rest of society. Canadians of other classes, therefore, have been marked by a poorly developed awareness of being members of a nation. Other than the Québécois, Canadians have typically drawn a sense of identity from their European origins. The lack of a strong national consciousness, then, likely derives from the dependent nature of the Canadian bourgeoisie and its influence on the political and social life of the country.

The nationalism of modern industrial nations has arisen generally in the context of their domination of a colonial system. An industrial ruling class will often seek to rationalize its role as a colonial exploiter with a moral declaration of superiority. Thus the activities of the controlling state may be obscured with justifications variously called 'civilization,' 'burden,' 'racial superiority,' 'exceptionalism,' 'democracy,' and even 'God's will.' Yet underlying these notions is the exploitation and subjugation of others. An obvious contemporary example of this bourgeois nationalism is the sense of nationality (blatantly jingoistic as exhibited in the war in Vietnam) that the US ruling class has imparted to Americans of other classes – often regardless of their colour and political persuasion. The domination of the United States over the so-called free world is the present basis of the American belief that its 'way of life' is the best and all other nations are envious of it. In some instances, the envy is there – different classes in nations dependent on the US come to see in the 'American way' worthwhile individual and national goals. But it could hardly be otherwise. With the most pervasive propaganda system ever devised, American values are thrust upon those nations, like Canada, unfortunate enough to be tied to the American empire. A belief in superiority, however, is not inherently attached to all of that which is called nationalism.

The United States has invested more in Canada than in any single country in the world, and since the late 1950s more than it invested in all of Latin America. From these facts it can be surmised that Canada ranks as the most important colony of the US. And out of this colonial position there is emerging a sense of protest which has been dubbed 'the new nationalism' in English Canada. It has arisen largely in areas of society where sections of the middle class prevail, the Canadian haute bourgeoisie having long since been integrated into corporate America via sell-outs and interlocking directorships. But on the issues against which these sections of the middle class have protested American influence, concessions have been forthcoming. As long as the *status quo* is not fundamentally challenged, compromise and accommodation will be used to mitigate the nationalist complaints of professors, teachers, artists, lawyers, engineers, government functionaries, and other technocrats. While some

aspects of this new nationalism may ultimately develop revolutionary proportions, for the most part so far, they have been used by sections of the middle class for their own advancement. Much of the middle class is largely servile to the existing capitalist system or indeed capitalist itself and so unlikely to defy the system in a fundamental way.

An examination of the development in Quebec during the first half of the 1960s reveals a situation in which large sections of the *petite bourgeoisie* were accommodated in government bureaucracies, the arts, universities, and mass media. Similar palliatives are offered by the Parti Québécois. But what has not been so subject to appeasement is the struggle between labour and capital – in the main, American capital. That struggle in the context of the ‘national’ boundaries of Quebec gave rise to a ‘common front’ of unions and an articulated class consciousness in the face of American capital and its administrators in Quebec. Any profound challenge to the domination of capital, domestic and foreign, must begin as it has in Quebec in the organized sector of the working class because this sector has the means – at present poorly used – to organize and raise the consciousness of the class which creates wealth but does not benefit from it.

The prospect of such a development in English Canada is greatly hindered by the more complete integration of the unions in the so-called internationals. The contradiction between US control over the unions and the need to fight issues peculiar to Canada, however, will be exacerbated by increasing domestic problems in the US and the growing American domination of the Canadian economy. Branch-plant shut-downs and the consequent displacement of Canadian workers, for example, usually mean more jobs for Americans. It can hardly be expected that American unions would fight shut-downs in Canada when US workers benefit from them and when the AFL-CIO is actively working to influence its *own* government to ensure and increase employment for its *own* workers – albeit to the detriment of those in Canada and Latin America affiliated to the AFL-CIO. Moreover, as the necessity for more decisive labour action on a national scale grows in Canada, the lack of a strong national trade union federation and the cause of its weakness, the international union structure, become increasingly obvious.

It should not be forgotten, despite the rise of a ‘new nationalism’ among sections of the middle class, that American control over Canadian trade unions has been a major ‘national’ question since the 1890s. It was the organized sections of the working class which were the first to fight the issue of US hegemony in Canada because American control of the unions came with the groundswell of American investment at the turn of the century. For Canadian unionists the problem was clear. The interests of American capital at home and abroad were those of American labour, as was so frequently argued by

Samuel Gompers, president of the American Federation of Labor. The unity of these interests as pursued by the AFL underlay the contradiction between the need to fight the rising American capital in Canada (as well as domestic and British capital) and American control of the unions by such a centre as the AFL. So it was that Canadian workers began the anti-imperialist struggle long before the middle class even perceived a problem – tied as it was to the interests of the Canadian merchant companies and later American branch-plants.

While this new middle-class nationalism has a certain anti-imperialist tone, its content is largely opportunistic. At present it promises little more than an assurance that some sectors of the middle class will not be denied the dominance they have long held in the social, cultural, and political life of Canada. Assuming that this new found identity continues to develop, it might help to a degree in the struggle the unions must begin to undertake (as they have in Quebec) if we are to change the very system we live in.

As long as the capitalist political order is accepted there will be considerable successful accommodation for those social strata whose interests are not in fundamental opposition to US hegemony. The long-term growth and radicalization of this protest, therefore, is uncertain. Moreover, as long as these middle stratas assume the continuance of the present parliamentary system, their role in finding alternatives to American ascendancy are limited. For example, the Liberal party receives most of its funds from the large US branch-plants which dominate the economy. With clear responsibilities to those who finance the party, it can hardly be expected to limit the expansion of foreign control. As Trudeau's government has stated, the proposed legislation on take-overs (the qualified screening process) is the fullest program it plans to institute to deal with the question. The proposal, moreover, is a sham, promising to 'screen' – not necessarily prevent – only the larger take-overs and ignoring the overwhelming sway already held by the US. As for the Conservative party, it would be unlikely to consider significantly different legislation while its funds come from similar sources.

The New Democratic Party has no stated policy to 'repatriate' the economy. Its acceptance of liberal democracy, furthermore, is basic to its philosophy – and to modern capitalism – thus making it a dubious possibility for leading English Canada to independence. The party's main source of funds come from American international unions which remain ideologically and constitutionally tied to their US headquarters. This connection confronts the NDP with the contradiction – if Canadian independence is to be on its program – of having to win freedom from control by American unions and receiving their funds from the same institutions. For the struggle and debate that is on-going there is a further complication in the widespread idea that the NDP is a socialist

party. It is 'left' liberal, but as long as it is perceived as socialist it and its left wings will continue to mislead the struggle for an independent and socialist Canada.

The major liberal democratic parties in Canada, then, represent interests which, in the case of the Liberals and the Conservatives, are mainly American – embodying complicitly most of the large Canadian capital formations in the way of banks, insurance companies, railways, and so on – and, in the case of the NDP, keep the trade union movement divided and weak thereby dampening the possibility of united trade union activities. The Communist Party of Canada remains hopelessly dogmatic; the Social Credit party hopelessly irrelevant to any problem in Canada. Besides being compromised, confused or pointless, none of these parties has fully accepted the right of Quebec to secede, and the only provincial separatist party, the Parti Québécois, is a wolf in lamb's wool, holding great promise for the middle class of Quebec but little for the working class. What, then, is the alternative for the socialist?

Despite the role played by the 'democratic' parties and institutions in keeping Canada a US colony, the processes of liberal democracy are still largely accepted as legitimate. As long as this remains true, socialists cannot ignore the question of the formation of a new political party. More immediate though, is the question of detaching the trade unions from American control and making them into 'schools of socialism,' centres in which *to begin* the conscious struggle of labour against foreign and domestic capital. In short, the job is to make politics subservient to the interests of working people in Canada, not to those of the owners and managers of capital. Only then will the goal of independence and socialism become a possibility.

It is the intention of this book to further the radical analysis of Canadian society. The perspective and arguments found in the essays are consistent in that they reflect left-wing views. Not all the contributors would agree with what has been argued in this introduction, but certainly they are agreed that the present order is fundamentally unjust and that exploitation of Canadians will end only when socialism is won by and for the working class.

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